



**TGI FRIDAYS FRANCHISOR, LLC
FRANCHISE DISCLOSURE DOCUMENT**

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TGI Fridays Franchisor, LLC
a Delaware limited liability company
19111 North Dallas Parkway
Suite 165
Dallas, Texas 75287
(972) 662-5400
<http://www.fridays.com>

The franchise is for full service casual theme restaurants featuring a specialized menu and full bar service, operating as "TGI Fridays." We offer prospective franchisees the opportunity to sign a Development Agreement for the right to develop one or more Fridays Restaurants in a defined territory and a Franchise Agreement for the right to operate one Fridays Restaurant.

The total investment necessary to begin operation of a franchised Fridays Restaurant ranges from \$2,721,000 to \$4,326,000. This includes \$94,000 to \$1,106,000 that must be paid to us or our affiliates. You also must pay the franchisor or its affiliate a deposit of \$10,000 (to be credited toward the development fee) plus \$50,000 for each Fridays Restaurant you agree to develop under a Development Agreement.

This Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the franchise legal department at 19111 North Dallas Parkway, Suite 165, Dallas, Texas 75287, (972) 662-4665.

The terms of your contract will govern your franchise relationship. Don't rely on the Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this Disclosure Document is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTCHELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Date of Issuance: June 20, 2024

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits E and F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit J includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Fridays Restaurant business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Fridays Restaurant business franchisee?	Item 20 or Exhibits E and F list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A-1.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This Franchise*

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The Franchise Agreement and Development Agreement require you to resolve disputes with us by litigation in Texas. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with us in Texas than in your own state.

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” (if any) to see whether your state requires other risks to be highlighted.

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ITEM 1
THE FRANCHISOR AND ANY PARENT, PREDECESSORS AND AFFILIATES

The Franchisor

The Franchisor is TGI Fridays Franchisor, LLC, referred to in this Disclosure Document as "Franchisor," "we," "us," or "our." Throughout this Disclosure Document, we refer to the person interested in buying a franchise as "you." If you are a corporation, limited liability company or partnership, certain provisions of our Franchise and Development Agreements will also apply to your owners or other principals. These will be addressed in this Disclosure Document where appropriate. When we refer to the "Agreements," we mean the Development Agreement and the Franchise Agreement.

We were formed in Delaware on January 17, 2017. We do business under the names: TGI Fridays and Fridays. Our principal business address and that of our parents, predecessor and affiliates is 19111 North Dallas Parkway, Suite 165, Dallas, TX 75287. Our agents for service of process are listed in Attachment B. We have not offered franchises for other business under other names, and currently we do not offer franchises for other businesses. Except as noted in this Item 1, we have no parents, predecessors or affiliates that must be disclosed in this Disclosure Document.

Our Predecessors, Parents and Certain Affiliates

We are a wholly owned subsidiary of TGIF Funding, LLC, a Delaware limited liability company ("TGIF Funding"). Our ultimate parent is TGIF Holdings, LLC ("TGIF Holdings"), a Delaware limited liability company. TGIF Funding is a wholly owned subsidiary of TGIF SPV Guarantor, LLC, a Delaware limited liability company ("TGIF SPV"). TGIF SPV is a wholly owned subsidiary of TGI Friday's Inc., a New York corporation ("TGIF Inc."). TGIF Friday's, Inc., is a wholly owned subsidiary of TGIF Parent, Inc. a Delaware corporation ("TGIF Parent"). TGIF Parent, Inc., is a wholly owned subsidiary of TGIF Midco, Inc., a Delaware corporation ("TGIF Midco"). TGIF Funding and TGIF SPV were organized as part of the Securitization Transaction described below. TGIF Inc. was the franchisor of Fridays Restaurants (defined below) prior to the closing of the Securitization Transaction.

On April 4, 2024, TGIF Inc., TGIF Holdings and UK-based Hostmore plc ("Hostmore"), TGI Friday's largest global franchisee, entered into a non-binding term sheet describing a proposed transaction for Hostmore's acquisition of all of the membership interests in TGIF Inc. Although no definitive agreement has been signed, the parties expect to enter into a definitive, legally binding share purchase agreement, which will be subject to certain closing conditions, and would be expected to close in the third quarter of 2024. If the transaction closes, Hostmore will, after a name change, become our parent and will be majority owned by TGIF Holdings and/or its membership interest holders who will receive stock in Hostmore as consideration for the transaction.

Fridays Restaurants

As a result of the expenditure of time, skill, effort and money, we and our predecessor have developed and own a distinctive system ("System") relating to the development, establishment and operation of TGI Fridays™ Restaurants ("Fridays Restaurants"). The distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design and layout, including specially designed décor, furnishings and color schemes; special recipes, menu items and full service bar; menu formats; uniform standards; procedures and techniques for food and beverage preparation and service; automated management information and control systems for inventory controls, cash controls and sales analysis; technical assistance and training through course instruction and manuals; and advertising and

promotional programs. We identify the System and Fridays Restaurants by means of certain names and marks (including "TGI Fridays," "Fridays" and other names, marks, logos, insignias, slogans, emblems, symbols and designs (collectively "Proprietary Marks"), which we have designated, or may in the future designate, for use with the System.

Fridays Restaurants are typically full service restaurants that feature a specialized menu and full bar service. The Restaurants feature a wide selection of freshly prepared popular foods and beverages served by well trained, friendly employees in a relaxing setting and are characterized by our unique System. We give you information and techniques through our Manuals and other communications.

We give franchisees of Fridays Restaurants the option to process customer mobile orders from their Fridays Restaurants for certain test menu items under the "Apps All Around" and/or "Conviction Chicken" Proprietary Marks and under certain other approved third-party brands (the "Test Menu Items"). Test Menu Items may only be delivered to customers through approved third-party delivery services.

TGIF Inc. opened the first Fridays Restaurant under the current System in 1972 and it offered franchises for Fridays Restaurants in the United States from 1978 until March 2017 and in various foreign countries from 1986 until March 2017.

As of December 25, 2023, our franchisees operated 129 Fridays Restaurants in the United States and 367 Fridays Restaurants outside of the United States. As of December 25, 2023, there were 140 Fridays Restaurants operated by TGIF Inc. in the United States as corporate owned and/or operated restaurants. As part of the Securitization Transaction, we entered into franchise agreements with TGIF Inc. to continue operating these Friday Restaurants. In this Disclosure Document, we sometimes refer to the Fridays Restaurants owned and/or operated by TGIF Inc. as "corporate owned" or "company owned."

Securitization Transaction

Under a securitization financing transaction that closed March 2, 2017 (the "Securitization Transaction"), TGIF Inc. and its affiliates were restructured. As part of the Securitization Transaction, all existing franchise agreements and related agreements for Fridays Restaurants were transferred to us, and we became the franchisor of all existing and future franchise and related agreements. The ownership and control of the Proprietary Marks and other intellectual property related to the operation of Fridays Restaurants were also transferred to us as part of the Securitization Transaction.

At the time of the closing of the Securitization Transaction, TGIF Inc. entered into a management agreement with us to provide the required support services to Fridays Restaurant franchisees under their franchise agreements. We will pay management fees to TGIF Inc. for these services. However, as franchisor, we will be responsible and accountable to you to make sure that all services we promise to perform under your Franchise Agreement or other agreements you sign with us are performed in compliance with the applicable agreement, regardless of who performs these services on our behalf.

TGIF Inc. acts as a sales agent for Fridays Restaurant franchisees for certain computer hardware and software. Fridays Restaurant franchisees may also, but are not required to, retain TGIF Inc. as their agent to purchase kitchen equipment, furniture and related furnishings, and décor. TGIF Inc. may source and negotiate with vendors for these items. We actively license the Proprietary Marks in connection with the sale of products and services (See Item 12).

The Franchise

We offer you the right to enter into: (1) a Development Agreement, which gives you the right to develop one or more franchised Fridays Restaurants (each a "Restaurant") in a defined geographic area or territory; and (2) a Franchise Agreement, which gives you the right to operate each Restaurant that you establish. We also offer you the right to enter into one or more Virtual Restaurant Participation Agreements (each a "Participation Agreement"), which give you the right to process customer mobile orders from your Restaurant(s) for Test Menu Items to be delivered to customers through approved third-party delivery services.

If you believe a location is suitable for a particular sized unit, you must provide us with the demographic and other information we ask for so that we can evaluate the information and decide whether to give our consent.

We require that you execute a Letter of Understanding (Exhibit A) setting forth the terms of your potential Development Agreement. Our Development Agreement (Exhibit B) provides for an agreed upon development schedule ("Development Schedule") and requires you to sign a Franchise Agreement (Exhibit C) for each Restaurant you establish under the Development Schedule. The form of Franchise Agreement for the first Restaurant that you develop under a Development Agreement will be the form attached to this Disclosure Document as Exhibit C. The form of franchise agreement for the other Restaurants that you develop pursuant to your Development Agreement will be our then-current standard form in general use when we accept the site for your Restaurant. These franchise agreements may differ materially from the Franchise Agreement attached to this Disclosure Document.

In addition to you, certain provisions and covenants of the Development Agreement and the Franchise Agreement also apply to those individuals and entities that directly or indirectly hold an equity interest in you of 20% or more ("Principal Owners"). We require your Principal Owners to jointly and severally guarantee your obligations to us under the Development Agreement and the Franchise Agreement. We may require any owner who is not a Principal Owner but who has access to Confidential Information or who has an active role in the operation or management of the Restaurant to execute a Non-Disclosure and Non-Competition Agreement (the current form is attached as Exhibit G to the Franchise Agreement).

Joint Ventures and Management Agreements

We or our affiliates may also enter into Joint Venture Agreements which involve the ownership and operation of Restaurants by the Joint Venture. In certain instances, the Joint Ventures contract with us or our affiliates for the management of the Restaurant. When we or our affiliates retain a portion of the ownership of the Restaurant, we may license the Joint Venture entity to utilize the Proprietary Marks and Systems or issue a Franchise to the Joint Venture. If we or our affiliates operate a Restaurant pursuant to a Joint Venture Agreement or a Management Agreement, we, our affiliate, or the Joint Venture will contribute to the National Advertising Fund on the same basis as all other domestic Restaurants.

Related Operations

TriArtisan TGIF Partners LLC ("TriArtisan") holds membership interests in TGIF Holdings. Through common control with or management by TriArtisan, we are affiliated with P.F. Chang's China Bistro, Inc. ("PFC"), a corporation formed in Delaware in January 1996. PFC operates and, since 2013, has offered licenses and joint venture agreements for P.F. Chang's restaurants at non-traditional locations. P.F. Chang's restaurants serve made-to-order, Asian inspired food in upscale casual atmospheres, available for eat-in dining, pick-up

and off-site catering services. As of December 25, 2023, there were 5 licensed restaurants and 1 joint venture restaurant operating at non-traditional locations within the United States.

PFCH International, LLC (f/k/a PFCCB International, LLC) ("PFCH"), a limited liability company formed in Delaware in June 2012, is an affiliate of PFC. PFCH offers licensees and franchisees the right to develop and operate P.F. Chang's restaurant(s) in countries outside of the United States. As of December 25, 2023, there were 84 traditional and 1 non-traditional licensed or franchised locations outside of the United States.

PFC's and PFCH's principal business address is 8377 E. Hartford Drive, Scottsdale, AZ 85255. Neither PFC nor PFCH has offered franchises or licenses in any line of business other than as listed above, conducted a business similar to the Restaurant you will operate, or engaged in any other business activity.

Except as described above, neither we nor our predecessors, parents or affiliates have offered franchises in any other line of business. We may in the future, however, develop, operate or acquire additional restaurant concepts and sell them as franchises or acquire other rights to franchise concepts. We may use, or license others to use, any of the Proprietary Marks, within your Development Agreement Territory in conjunction with other restaurants, retail concepts or businesses which operate under systems different than the "System" pursuant to which the Fridays Restaurants operate. You would have no rights to those other concepts.

Competition

The food service business is highly competitive in pricing, service, location and food quality. Business is often affected by changes in consumer tastes, economic conditions, convenience, demographics and traffic patterns. You must expect to compete with many other restaurants, bars and taverns offering a wide range of comparably priced food and beverage items and a wide variety of service formats as well as businesses offering home meal replacement such as grocery store take out counters and specialty stores. Competitors include large numbers of national and regional restaurant chains and franchised restaurant systems (including other restaurant systems we or our parents or affiliates operate and/or franchise), as well as locally owned independent restaurants, bars and taverns. Some of these competitors may have greater financial resources and longer operating histories than us, or our franchisees. There is also active competition for management and service personnel, as well as for attractive commercial real estate sites suitable for restaurants. We believe that the Restaurants will have a particular appeal to adults in the age group between 21 and 49. Typically, Restaurants are located in densely populated suburban or metropolitan areas or in close proximity to regional shopping centers.

Industry Specific Regulation

The restaurant industry is heavily regulated. Many of the laws, rules and regulations that apply to business generally, such as the Americans With Disabilities Act, Federal Wage and Hour Laws and The Occupation, Health and Safety Act, also apply to restaurants. However, other laws, rules and regulations have particular applicability to restaurants, and especially restaurants that offer full bar service.

You must have a liquor license before you open the Restaurant. The difficulty and cost of obtaining a liquor license, and the procedures for securing the license, vary greatly from area to area. There is also wide variation in state and local laws and regulations that govern the sale of alcoholic beverages. In addition, State Dram Shop laws give rise to potential liability for injuries that are directly or indirectly related to the sale and consumption of alcohol.

The U.S. Food and Drug Administration ("FDA"), the U.S. Department of Agriculture, the Federal Trade Commission and state and local health departments administer and enforce laws and regulations that govern food preparation, service, restaurant sanitary conditions and nutritional representations on menus. Federal, state and local agencies inspect restaurants to ensure that they comply with these laws and regulations.

The Federal Clean Air Act and various implementing state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide and particulate matters, including caps on omissions from commercial food preparation. Some areas have also adopted or are considering proposals that would regulate indoor air quality. Many states, counties, cities and municipalities have enacted laws governing tobacco smoke.

Certain state and municipal laws require that nutritional language be included on the menu for each food item. The Patient Protection and Affordable Care Act of 2010 preempts those laws in favor of a federal menu labeling requirement.

You should consider these laws and regulations when evaluating your purchase of a franchise.

ITEM 2 **BUSINESS EXPERIENCE**

As noted in Item 1 above, TGIF Inc. provides services and support to our Fridays Restaurant franchisees and developers, and acts as our sales agent. Listed below are our officers and directors; TGIF Inc.'s officers and directors, and managers of TGIF Inc. who have management responsibility relating to the sale or operation of the franchises offered in this Disclosure Document. Unless otherwise specified, the location of all positions in this Item 2 is or has been Dallas, Texas.

Chief Executive Officer – TGIF Inc. and President – TGI Fridays Franchisor, LLC: Weldon Spangler

Mr. Spangler has been the Chief Executive Officer of TGIF Inc. and President of TGI Fridays Franchisor, LLC since October 2023. From November 2019 to October 2023, he was on the Board of Directors of TGIF Inc. and TGI Fridays Franchisor, LLC. He has been on the Board of Directors of Top Pot Doughnuts, located in Seattle, Washington, since June 2022, and an owner of BÉT Vodka, located in Edina, Minnesota, since November 2022. He was Senior Vice President, Subway Market Operations of Subway, located in Minneapolis, Minnesota, from June 2020 to December 2022. He was Chief Executive Officer of Lift Brands, located in Chanhassen, Minnesota, from September 2019 to June 2020. He was Chief Executive Officer of Papa Murphy's International, located in Vancouver, Washington, from July 2017 to July 2019.

President, Chief Operating Officer-USA and Director – TGIF Inc.: Ray Risley

Mr. Risley has been the President, Chief Operating Officer-USA and Director of TGIF Inc. since December 2023. From September 2022 to October 2023, he was Chief Executive Officer of Via 313 Pizzeria in Austin, Texas. From August 2020 to November 2022, he was President and Chief Operating Officer of Front Burner Society in Dallas, Texas. He was a Partner of Stone House Restaurant, located in Colleyville, Texas, from March 2020 to August 2020. From August 1998 to March 2020, Mr. Risley was employed by Del Frisco's Restaurant Group, serving as its President in Irving, Texas from September 2019 to March 2020.

President of International, Chief Financial Officer and Director – TGIF Inc. and Chief Financial Officer and Treasurer – TGI Fridays Franchisor, LLC: Nik Rupp

Mr. Rupp has been the Chief Financial Officer and Director of TGIF Inc since December 2023. Mr. Rupp has also been President of International of TGIF Inc. since March 2024. Mr. Rupp has also been Chief Financial Officer and Treasurer of TGI Fridays Franchisor, LLC since December 2023. From April 2018 to December 2023, he was employed by Papa Murphy’s International in Vancouver, Washington, from April 2022 to December 2023 as its Chief Operating Officer, and from April 2018 to April 2022 as its Chief Financial Officer.

Chairman of the Board of Directors – TGIF Holdings: Rohit Manocha

Mr. Manocha has served as the Chairman of the Board of Directors of TGIF Holdings since March 2020. He served as the Interim Chief Executive Officer and Interim Director of TGIF Inc. from May 2023 to October 2023. From April 2014 to March 2020, Mr. Manocha was a Director of TGIF Holdings. He has been a Managing Director of TriArtisan Capital Advisors LLC located in New York, New York since 2016.

Vice President and Secretary – TGI Fridays Franchisor, LLC and Senior Vice President, General Counsel and Corporate Secretary – TGIF Inc.: Jennifer Rote

Ms. Rote has been our Vice President and Secretary since April 2017. She has also been Senior Vice President of TGIF Inc. since March 2021 and General Counsel and Corporate Secretary since April 2019. She was Vice President of TGIF Inc. from April 2017 to March 2021, and Chief Counsel and Corporate Secretary of TGIF Inc. from April 2017 to April 2019.

Chief Development Officer – TGIF Inc.: Chris Devlin

Mr. Devlin has been Chief Development Officer since February 2023 and served in this position on a contract basis with TGIF Inc. since December 2021. He was a consultant from February 2019 to December 2021. He was an SVP New Business Development of Bar Louie located in Dallas, Texas from December 2010 to February 2019.

Vice President of Franchise Support – TGIF Inc.: Ashley Kirkley

Ms. Kirkley has been Vice President of Franchise Support for TGIF Inc. since March 2024. Ms. Kirkley was Vice President of Operations for TGIF Inc. from March 2021 until March 2024. She was Director of Operations for TGIF Inc. from March 2020 until March 2021. She was Director of Operations located in Livingston, New Jersey for Zinburger Wine & Burger Bar (The Briad Group) from January 2017 to March 2020.

Vice President of Information Technology – TGIF Inc.: Samuel H. Langley

Mr. Langley has been Vice President of Information Technology for TGIF Inc. since March 2018.

Senior Vice President, Chief Procurement Officer – TGIF Inc.: Kathleen Schloth

Ms. Schloth has been Senior Vice President and Chief Procurement Officer for TGIF Inc. since March 2021. She was Vice President of Sourcing for TGIF Inc. from March 2017 to March 2021.

Chief Marketing Officer – TGIF Inc. – Jonathan Muhtar

Mr. Muhtar has been Chief Marketing Officer for TGIF Inc. since February 2024. He was Executive Vice President and Chief Commercial for Red Robin Gourmet Burgers, Inc. in Greenwood Village, Colorado, from January 2017 to November 2022.

Vice President of Operations – DFW airport – TGIF Inc.: Michael Taylor

Mr. Taylor has been a Vice President of Operations – DFW airport for TGIF Inc. since January 2022. He was a Senior Director for TGIF Inc. from May 2019 to January 2022. He was Senior Director of Operations for Ruby Tuesdays, in Baltimore, Maryland, from June 2018 to May 2019.

Senior Director of Asset Management – TGIF Inc.: Christina Davenport

Ms. Davenport has been Senior Director of Asset Management of TGIF Inc. since October 2023. She was Director of Development of TGIF Inc., working in Austin, Texas, from October 2021 until October 2023. She was Real Estate Manager of TGIF Inc., working in Austin, Texas, from January 2012 to September 2021.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item 4.

ITEM 5
INITIAL FEES

Letter of Understanding/Earnest Money Deposit

If you and we are considering entering into a Development Agreement, you and we will sign a Letter of Understanding (Exhibit A) outlining certain terms of the proposed Development Agreement and you must pay us a \$10,000 earnest money deposit ("Deposit"). If you sign a Development Agreement, we credit the Deposit against the Development Fee. The Deposit is fully earned when paid and is non-refundable; provided that, if we unilaterally elect not to franchise the proposed territory identified in the Letter of Understanding prior to your execution of a Development Agreement, we will refund to you the Deposit.

Development Fee

When you sign a Development Agreement (Exhibit B), you must pay us a Development Fee, which is \$50,000 multiplied by the number of Restaurants you commit to develop under the Development Schedule. The Development Fee is fully earned when paid and is non-refundable.

We may, in our discretion: (1) negotiate the Development Fee structure, which may include partial credits against the franchise or other fees, in certain limited circumstances; (2) offer development incentives or non-uniform fees to selected developers to accelerate development, to compensate for unfavorable economic

conditions, or for any other business purpose; and (3) offer incentives linked to the Development Agreement in conjunction with re-imaging commitments for existing Restaurants purchased from us.

Franchise Fee

When you sign a Franchise Agreement (Exhibit C), you must pay us the Initial Franchise Fee in the amount of \$50,000. The Initial Franchise Fee is fully earned when paid and is not refundable. We may, in our discretion, reduce the Initial Franchise Fee as a development incentive for selected developers to accelerate development, to compensate for unfavorable economic conditions, or for any other business purpose. Except in these limited circumstances, the Initial Franchise Fee will be uniformly imposed.

Background Checks

We will perform background investigations on you or one or more of your owners, which may be at your expense. The cost can be up to \$10,000 per investigation.

Kitchen Equipment, Décor and Furniture

Before beginning operations, you must purchase kitchen equipment, furniture and related furnishings, and décor to use in the Restaurant. You may, but are not required to, retain TGIF Inc. as your agent to purchase some or all of these items. If you do, you must sign the appropriate form of Purchasing Agreement. The current forms of purchasing agreements are attached as Exhibit D (for orders of \$10,000 or more) and Exhibit D-1 (for orders of less than \$10,000) to this Disclosure Document. TGIF Inc. will elect to: (1) require you to prepay it for the items purchased; (2) require you to provide a letter of credit; or (3) invoice you for the items purchased. If TGIF Inc. requires you to prepay, it will not ship the items to you until you pay for them. If TGIF Inc. permits you to do a letter of credit, it must be drawn on a lending institution satisfactory to TGIF Inc., it must be in a form acceptable to TGIF Inc. and must be in an amount as TGIF Inc. requires. TGIF Inc. may draw on the letter of credit periodically as shipments are made. If TGIF Inc. invoices you, it invoices after each shipment and you must pay each invoice within 30 days after the date of the invoice. Unpaid invoices accrue interest at the current lending rate. Payments for kitchen equipment, furniture and related furnishings, and décor are not refundable.

Requirements for kitchen equipment, furniture and related furnishings, and décor for each Restaurant are substantially the same, although there may be differences based on the size of the Restaurant facility, menu requirements and other factors. The configuration of the Restaurant and local environmental or other standards may also dictate some differences.

If TGIF Inc. acts as your purchasing agent for kitchen equipment, the current purchasing fees due to it are as follows: (1) no purchasing fee for a new Restaurant or a Fridays Restaurant reimage or remodel; and (2) 8% of the total purchase amount for items purchased for repair or replacement at an existing Restaurant. We (and TGIF Inc.) may in our discretion modify these purchasing fees.

If you do not retain TGIF Inc. as your agent to purchase some or all of the required kitchen equipment, furniture and related furnishings, and décor, then you will not be required to pay TGIF Inc. anything for these items.

If you are a new franchisee of a new Restaurant who retains TGIF Inc. as your agent to purchase some or all of the required kitchen equipment, furniture and related furnishings, and décor and TGIF Inc. elects to require you to prepay it for the items purchased, you will, before beginning operations, be required

to pay TGIF Inc. \$775,000 to \$975,000 (if the Restaurant is a P11 Prototype) and from \$801,500 to \$1,000,000 (if the Restaurant is a PROTO 2017 Prototype) for these items. The average cost of packages for new store openings (each an “NSO”) are: kitchen equipment approximately \$463,774; furniture approximately \$141,732; and décor approximately \$11,886. These average costs vary depending on, among other things, the size of the unit, location, prototype and other circumstances. Because there were no franchised NSOs in 2023, TGIF Inc. did not collect any revenue for NSO packages of kitchen equipment, furniture and related furnishings, and décor in its 2023 fiscal year.

Computer Systems

Before beginning operations, you must purchase the required computer systems to be used in the Restaurant. We or our designee act as your agent for purchasing computer systems. We will elect to: (1) require you to prepay us or our designee for the computer system, (2) require you to provide a letter of credit, or (3) invoice you for the computer system. If we require you to prepay, we expect you to pay at least 60 days prior to installation and we (or our designee) will not ship the computer system to you until you pay for it and the estimated installation costs (which we (or our designee) estimate and true up after installation). If we permit you to do a letter of credit, it must be drawn on a lending institution satisfactory to us, it must be in a form acceptable to us and must be in an amount as we require. We or our designee may draw on the letter of credit when shipments are made. If we or our designee invoice you, we or our designee invoice after each shipment and you must pay each invoice within 30 days after the date of the invoice. Unpaid invoices accrue interest at the current lending rate. Payments for computer systems hardware and software packages are not refundable.

Requirements for computer hardware and software for each Restaurant are substantially the same, although there may be differences based on the size of the Restaurant, the configuration of the Restaurant, the prototype, or other factors.

Charges related to the computer systems include hardware and software purchase, hardware and software configuration, project management, equipment installation, and travel expenses. The estimated amount for each system that you will pay to us ranges from \$44,000 to \$46,000. All of the computer hardware, software and services purchased through us or our designee do not contain any mark ups or processing fees, however, we and our designees may charge a markup in the future.

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ITEM 6
OTHER FEES

Type of Fee (Note 1)	Amount	Due Date	Remarks
Royalty Fee	4% of Gross Sales	7 days after the end of each fiscal period (which currently is a calendar month)	Your Royalty Fee will increase to 4.5% of Gross Sales during your first successor term and 4.75% of Gross Sales during your second successor term. "Gross Sales" includes the entire amount of the actual sales price, whether for cash, credit, check or other consideration, of all sales of food, beverages, merchandise, promotional items and services at or from the Restaurant, including all sales of Test Menu Items if you sign one or more Participation Agreements. See Section 6.C of the Franchise Agreement for additional information regarding what we include and exclude from the definition of Gross Sales.
Advertising and Promotion Obligation ("APO")	Your APO will not exceed 5% of Gross Sales	See below.	The advertising contributions and advertising funds are further described in Item 11.
National Advertising Fund	Currently 1.5% of Gross Sales	Same as royalty fees	
Digital Marketing Fee	Amount determined by us annually (currently 0% of Gross Sales)	Same as royalty fees	We may require you to contribute an amount determined by us (the "Digital Marketing Fee") toward the cost of the development and maintenance of Digital Media, which is further described in Item 11. We will collect the Digital Marketing Fee monthly and will notify you of the amount of the Digital Marketing Fee in or before January of each year, and the Digital Marketing Fee will remain the same if we do not notify you of a change before January 31 of each year. Currently, you are not required to pay a Digital Marketing Fee.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Audit Fees	Deficiency in Royalty Fees, advertising contributions and other amounts owed, plus interest	Within 10 days after receipt of the audit report	Audits are at our expense, unless the audit reveals an understatement of Gross Sales of 1% or more or underpayment of the Royalty Fee of 5% or more or the audit is necessary because you failed to submit reports or records.
Collection Costs and Expenses	Our costs and expenses	On demand, if required	These costs and expenses include, but are not limited to, costs and commissions due a collection agency, reasonable attorneys' fees, costs incurred in creating or replicating reports demonstrating Gross Sales of the Restaurant, court costs, expert witness fees, discovery costs and reasonable attorneys' fees and costs on appeal, together with interest charges on all of the foregoing.
Costs and Attorneys' Fees	Our costs and expenses	On demand, if required	If we prevail in litigation regarding enforcement of the terms of any agreement, you must pay our costs and expenses, including reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, the cost of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses.
Indemnification	The losses and expenses incurred by us and our affiliates	As incurred	You must indemnify and hold us and our affiliates harmless in all actions arising out of or resulting from the development or operation of your Restaurant excluding the gross negligence or willful misconduct of Franchisor.
Interest	The interest rate is the maximum rate permitted for indebtedness of this nature in the state in which the Restaurant is located not to exceed 1.5% per month (or a portion of a month).	Within 30 days from the date of invoice	Delinquent payments shall bear interest from the due date until received by us.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Late Fees	\$500	Due with payment of the delinquent payment	
Liquidated Damages – Breach of Covenants against Competition	Our then-current Initial Franchise Fee plus 8% of the Gross Sales of the competing restaurant business for two years	Upon demand, if required	
Early Termination Damages – Franchise Agreement	Amount equal to the average monthly Royalty Fees and advertising fund contributions that you owed for the 36 months prior to the termination, multiplied by the lesser of 36 months or the number of months remaining in the term of the Franchise Agreement	Within 30 days following termination	Payable if you default on your obligations and we terminate the Franchise Agreement.
Early Termination Damages – Development Agreement	Amount equal to two times the average of the total annual Royalty Fees and advertising contributions owed under Franchise Agreements over the prior three-year period multiplied by the number of restaurants that remain to be developed pursuant to the Development Schedule	Within 30 days following termination	Payable if you default on your obligations and we terminate the Development Agreement.
Manager Training - Management Skills Training (Leadership That Rocks)	\$600 plus airfare and incidentals per management trainee	Upon management trainee's registration for the course	Each new hire manager is required to attend this training in the market or centrally at our corporate support center. The cost includes course materials, facilitator costs and salaries,

Type of Fee (Note 1)	Amount	Due Date	Remarks
			hotel expenses, and airport transfers. The fee does not include transportation or out of pocket expenses.
Manager Training – Restaurant Management Essentials	\$500 per management trainee if training in a company-owned restaurant	Upon management trainee's registration for program	Each new hire manager is required to participate in the training, which must be completed in a Center of Excellence training restaurant and includes both online and hands-on training. The cost is for a \$500 training bonus to the training GM.
Manager Transfer Fee	\$25,000	Upon transfer of trained manager	See Note 2
Post-Termination or Post-Expiration Expense	All amounts we may incur, currently estimated to be \$1,000 to \$25,000	Within 30 days from date of invoice	Among other things, if we do not acquire the Restaurant site after your Franchise Agreement terminates or expires, you must de-identify the premises. If you do not de-identify the premises, we may do so at your expense.
Replacement Restaurant kitchen & bar equipment, fixtures & furniture and purchasing fees	Replacement Restaurant kitchen & bar equipment, fixtures & furniture: total purchase amount as agreed plus 8% of the total purchase amount as purchasing fees to TGIF Inc. for acting as purchasing agent.	As arranged.	If TGIF Inc. acts as your agent for purchasing replacement kitchen and bar equipment, fixtures or furniture for an existing Restaurant, you will be charged the total purchase amount plus 8% of the total purchase amount as purchasing fees to TGIF Inc. for acting as purchasing agent.
Reimbursement of Insurance Costs	Our out-of-pocket costs of obtaining coverage	Immediately upon receipt of invoice	If you fail to procure or maintain the required insurance, we may procure the insurance and charge its cost along with our out-of-pocket expenses to you.
Relocation	\$5,000	Payable when you submit relocation request	You may not relocate the Franchised Restaurant without our prior written consent. If we approve your request, we also have the right to charge you a royalty fee during the period when the Restaurant is closed equal to the average monthly royalty fee owed during the 12 months preceding the closure.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Securities Offerings	\$15,000	Payable when you submit offering documents	At least 30 days before any public offering or private placement of securities or partnership interests in you are made available to potential investors, you must deliver a copy of the offering documents to us for our review along with opinions of counsel selected by you and counsel selected by us to ensure that the offering documents properly use the Proprietary Marks and accurately describe your relationship with us and/or our affiliates.
I.T. Service and Support Fee	\$1,260, billed quarterly	To be invoiced and paid quarterly (in advance) in January, April, July and October	<p>This covers:</p> <ul style="list-style-type: none"> • Help Desk Services (24x7x365) • Point of Sale Services, including menu management • Communications/Reporting • Information Security Services • IT equipment purchasing, invoicing, and research • O365 Licensing with secure email gateway <p>We may change the fee structure as new services /platforms and technologies are added.</p>
AirWatch	\$65 one-time payment for each new or replacement mobile device followed by \$27 annual support fee for each mobile device	Invoiced annually in advance	<p>Mobile device management</p> <p>The entire amount collected by us is passed through to the vendor.</p>
iPad Rental Fee for Yelp Waitlist	\$21 per month	Immediately upon receipt of invoice	If you do not purchase an iPad to use the Yelp Waitlist, you must lease one from us.
Successor Fee	50% of our then-current Initial Franchise Fee for the first successor term and 30% of our then-current Initial	When you sign a Franchise Agreement for the successor term.	We may offer to you a successor term if you satisfy certain conditions and meet our qualifications to remain a franchisee at the beginning of each successor term. The Successor Fee is

Type of Fee (Note 1)	Amount	Due Date	Remarks
	Franchise Fee for the second successor term		in addition to, among others, any costs you incur for required remodeling.
Supplier Inspection and Testing	Reasonable fee for inspection, including the actual cost of testing	As incurred	You may submit to us a written request for consent to use other suppliers. As a condition of our consent, we are permitted to inspect the supplier's facilities and take samples of the items proposed for testing at your expense.
Supplier Payments	Our costs in paying any supplier that you fail to pay	Upon receipt of invoice.	If you fail to promptly pay one or more suppliers as required, we may, but are not required to, pay such supplier(s) on your behalf, and you must reimburse us for such payment.
Taxes	Assessed amount	Within 30 days from date of invoice.	You must pay us the amount of any sales, gross receipts, excise, license or similar tax imposed on us that are associated with payments to us under the Franchise Agreement.
Training Fee - Franchisor's NSO Team	\$78,000 - \$83,500	Within 30 days from date of invoice.	You will be charged for all of our (or our designee's) costs and expenses to provide our (or our designee's) employees for a NSO Team if you do not or cannot provide the sufficient number of your own employees.
Transfer Fee	\$5,000 or such greater amount as necessary to reimburse us for all out-of-pocket expenses associated with the Transfer.	With submission of transfer application and related materials.	
Background Investigation Fee (Transferees)	\$10,000 maximum per entity and /or individual	Within 30 days from date of invoice.	The franchise agreement requires the franchisee to pay a background investigation fee for a proposed transferee, and any of its equity holders, who are non-United States citizens or residents.
Guest Relations Program	\$6 administrative fee per incident of guest complaint on a store level basis, excludes general inquiries	Within 30 days from date of invoice.	You will be charged a monthly administrative fee per incident of guest complaint handled by us through the guest relations phone line, email or post mail, in addition to the fees charged to reimburse us for guest complaint

Type of Fee (Note 1)	Amount	Due Date	Remarks
			resolutions, i.e. free appetizer coupons, etc.
Medallia Fee	\$25 monthly usage fee.	Due and payable upon statement receipt.	Fee to provide you with access to customer satisfaction surveys (through Medallia). The Medallia Fee is collected by us and, along with an additional amount that is currently subsidized by the National Advertising Fund, is passed through to the vendor.
Non-compliance fee	1% of Gross Sales	On demand, if required	We may assess a non-compliance fee for each month in which a default under the Franchise Agreement has occurred or continued for one or more days. The non-compliance fee compensates us for damage to the reputation of Fridays Restaurants, the Proprietary Marks and the entire System.
Royalty Increase Alternative for Remodel Default	2.5% of Gross Sales	With the Royalty Fee 7 days after the end of each fiscal period (which currently is a calendar month)	We allow franchisees who have failed to timely meet their Fridays Restaurant remodel obligations, and have failed to cure by satisfying the remodel obligations within the applicable cure period, to pay a 2.5% increase in the Royalty Fee from the time the applicable cure period for the remodel default ends until the time the remodel obligations are completed or the 7 th anniversary of the day the applicable cure period ended. Franchisees who elect to pay the Royalty Increase Alternative for Remodel Default must also satisfy our then-current requirements for the Royalty Increase Alternative for Remodel Default.

Notes:

(Note 1) Except as noted in the preceding chart, all fees and expenses described in this Item 6 are non-refundable, are imposed by and payable to us. Generally, all fees are uniformly imposed on our franchisees, however, in certain circumstances, we may adjust a fee for a particular franchisee for various business purposes and we may offer incentives that reduce fees due to us. During our predecessor's last fiscal year, it adjusted fees identified in Item 6. Except as specifically stated above, these amounts may be subject to increase based on changes in market conditions, our cost of providing services and future policy changes. Currently, we have no plans to increase payments over which we have control.

(Note 2) When trained management personnel transfer under this policy, the owner of the Restaurant that obtains the trained manager must pay the manager's former employer a fee based on the costs of salary and benefits during the training period of the average management trainee, plus the cost of hiring. If trained management personnel are hired without the current employer's agreement in violation of the Franchise Agreement, then the policy described above does not apply. Instead, such activity will constitute an event of default under the Franchise Agreement and will entitle the former employer to damages equal to 200% of the employee's annual salary.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT
P11 Prototype
6,200 Square Foot TGI Fridays™ Restaurant

Type of Expenditure	Amount (Low)	Amount (High)	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee (Note 1)	\$50,000	\$50,000	Lump sum	Upon execution of Franchise Agreement	Us
Furniture, Equipment & Décor (Note 2)	\$775,000	\$975,000	As billed; prepaid if ordered through TGIF Inc.	As incurred	TGIF Inc., Other Suppliers
Computer Systems (Note 3)	\$73,500	\$91,000	As billed; prepaid if ordered through TGIF Inc.	As incurred	TGIF Inc., Other Suppliers
Opening Inventory (Note 4)	\$35,000	\$60,000	As billed	As incurred	Suppliers
Hiring Expenses; Training (Note 5)	\$65,000	\$200,000	As billed	As incurred	Employees and Suppliers
Liquor License (Note 6)	(Note 6)	(Note 6)	Lump sum or Rent	Upon Transfer or Application	Government Agency or Prior License Holder
Building & Improvements (Note 7)	\$1,400,000	\$1,800,000	As billed	As incurred	Lessors, Contractors and Subcontractors

Type of Expenditure	Amount (Low)	Amount (High)	Method of Payment	When Due	To Whom Payment Is To Be Made
Site Improvements (Note 7)	\$175,000	\$450,000	As billed	As incurred	Lessors, Contractors and Subcontractors
Developmental Costs (Note 7)	\$65,000	\$100,000	As billed	As incurred	Engineers, Architects, Other Professionals
Insurance (3 months) (Note 8)	\$12,500	\$25,000	As billed	As incurred	Suppliers
Miscellaneous Costs (Note 9)	\$10,000	\$100,000	As billed	As incurred	Employees, Suppliers and Governmental Agencies
Additional Funds (3 months) (Note 10)	\$60,000	\$200,000	As billed	As incurred	Various Suppliers and Employees
Total (Note 11)	\$2,721,000	\$4,051,000			

"PROTO 2017" Prototype
6,800 Square Foot TGI Fridays™ Restaurant

Type of Expenditure	Amount (Low)	Amount (High)	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee (Note 1)	\$50,000	\$50,000	Lump sum	Upon execution of Franchise Agreement	Us
Furniture, Equipment & Décor (Note 2)	\$801,500	\$1,000,000	As billed; prepaid if ordered through TGIF Inc.	As incurred	TGIF Inc., Other Suppliers
Computer Systems (Note 3)	73,500	\$91,000	As billed; prepaid if ordered through TGIF Inc.	As incurred	TGIF Inc., Other Suppliers
Opening Inventory (Note 4)	\$35,000	\$60,000	As billed	As incurred	Suppliers

Type of Expenditure	Amount (Low)	Amount (High)	Method of Payment	When Due	To Whom Payment Is To Be Made
Hiring Expenses; Training (Note 5)	\$65,000	\$200,000	As billed	As incurred	Employees and Suppliers
Liquor License (Note 6)	(Note 6)	(Note 6)	Lump sum or Rent	Upon Transfer or Application	Government Agency or Prior License Holder
Building & Improvements (Note 7)	\$1,500,000	\$2,000,000	As billed	As incurred	Lessors, Contractors and Subcontractors
Site Improvements (Note 7)	\$200,000	\$500,000	As billed	As incurred	Lessors, Contractors and Subcontractors
Developmental Costs (Note 7)	\$65,000	\$100,000	As billed	As incurred	Engineers, Architects, Other Professionals
Insurance (Note 8)	\$12,500	\$25,000	As billed	As incurred	Suppliers
Miscellaneous Costs (Note 9)	\$10,000	\$100,000	As billed	As incurred	Employees, Suppliers and Governmental Agencies
Additional Funds (3 months) (Note 10)	\$60,000	\$200,000	As billed	As incurred	Various Suppliers and Employees
Total (Note 11)	\$2,872,500	\$4,326,000			

Notes:

Costs paid to us and TGIF Inc. (other than the earnest money deposit, which is described in Item 5) are not refundable. Whether any costs paid to third parties are refundable will vary based on, among other things, the practice in the area where your Restaurant is located.

(Note 1) See Item 5 for a description of the Initial Franchise Fee.

(Note 2) TGIF Inc. is one of the suppliers of furniture, kitchen equipment and décor for the Restaurant.

(Note 3) TGIF Inc. procures, on your behalf, the Information Technology Computer Systems, and you are responsible for purchasing and leasing internet equipment and services from approved suppliers. (See Item 11) This estimate includes installation and construction costs paid to local providers for 2 internet circuits. In rare circumstances, the estimated construction costs could be higher based on the location and/or condition of the site for your Restaurant.

(Note 4) Opening inventory reflects the costs of consumable inventory items such as food, liquor, cleaning supplies and paper goods, which are necessary on the opening day. You must promptly replenish these items as consumed.

(Note 5) Hiring expenses include, among others, costs such as the expenses of utilizing social media recruitment strategies in advertising for employees, costs of interviewing activities, travel and wages for your managers and hourly employees during pre-opening training. The low amount assumes two managers transfer from existing Fridays Restaurants, with minimal travel expense for employees, managers and trainers as they come from within the local market. The high amount assumes managers and trainers will require travel and lodging during the training period, and that all employees will be new hires requiring training.

(Note 6) The cost of obtaining liquor licenses is not included in the chart above. This cost varies greatly depending on the state and the licensing authority involved.

(Note 7) This is an estimate for construction costs for building and improvements for a ground up Restaurant on unimproved land. Landlord allowances for improvements are sometimes available and may vary considerably and would offset building costs. In addition to construction costs, you may incur developmental costs for engineering, architectural, design, real estate, legal and other professional services. Our construction and developmental cost estimates assume that there are no unusual site conditions, and that adequate utilities are available at, or adjacent to, the building pad. The actual size of your unit may, conditioned upon our approval, be larger or smaller than the typical unit shown here.

(Note 8) Insurance costs vary by insurability of each franchisee, restaurant location and facility type. You may be required to pay your entire premium for workers' compensation, property and casualty insurance in advance. You are responsible for obtaining all insurance necessary to operate the Restaurant, which may include additional insurance coverage or greater policy amounts, subject to factors beyond our control.

(Note 9) Miscellaneous costs include items like utility and service company deposits, possible transportation and/or utility impact fees, advertising and promotional expenses and materials for your initial opening, and unforeseen incidental expenses.

(Note 10) You will need additional funds to operate the Restaurant during the start-up phase of your business. We have assumed that operating cash flow from normal operations will fund cash expenditures needed for food, beverage and labor costs of management and hourly employees, and expenses for supplies, utilities, rent, taxes and common area expenses. These amounts do not include amortization, depreciation or the cost of debt service. There are many variables affecting these amounts such as sales volume, number of employees, rates of pay and frequency of inventory turnover. We have included operating cash flow, 4% royalty and an advertising contribution of 4.75% on gross sales. These figures are based only on our good faith estimates, and we cannot assure you that you will not have additional expenses starting the Restaurant. Your actual costs will depend on such factors as your management skills, experience and business acumen; local economic conditions and competition. You should calculate your estimated expenses for these items based on the anticipated costs in your market and consider whether you will need additional cash reserves.

(Note 11) The total cost does not include the cost to purchase or lease real estate for a Fridays Restaurant. These costs vary significantly by location based upon a variety of factors. You should consult with real estate professionals in the local area in which you are interested in order to establish a cost estimate to purchase or lease the real estate. The costs and expenditures listed in the charges above are for new Restaurant prototypes that we continue to develop and that we are likely to change and modify.

We have not built a Fridays Restaurant using the P11 Prototype. In preparing the cost estimates, we relied upon our and our predecessor's experience in developing and opening Fridays Restaurants, and upon information provided to us by franchisees who constructed 4 Restaurants using the P11 prototype. These 4 restaurants are based in the Gainesville, FL, St. Louis, MO, Cincinnati, OH and Pittsburgh, PA markets.

Neither we nor any franchisee has built a Fridays Restaurant using the PROTO 2017 Prototype; however, we anticipate that most franchisees on a going forward basis who construct new Fridays Restaurants will use this prototype. The information above is not based on actual, historical or as-built information but is based on estimates we have developed with the assistance of 3rd-party architectural firms and general contractors. The cost that is likely to fluctuate will be the cost of Building and Improvements. In particular, we relied upon the estimates provided by a general contractor located in Dallas Texas to generate the cost range for this category. You should consult with local general contractors and architects to determine the cost range for Building and Improvements based upon the available prototypes.

The ranges listed are our best information to date, but may vary widely as the prototypes evolve, and may be subject to increases or decreases based on changes in market conditions, our and our designee's costs of providing services and future policy and design changes. Factors such as a requirement to use union labor, the availability of skilled labor in the market, the availability of staging areas, accessibility to the site for construction and deliveries may be different for your Restaurant and will impact each identified cost or the total initial investment. You may inquire about building a Fridays Restaurant using a smaller footprint (4,500 to 5,000 square feet) than the P11 Prototype or PROTO 2017 Prototype, which may reduce the initial investment estimates contained above.

Except as stated in the preceding charts and accompanying notes, these amounts may be subject to increase based on changes in market conditions, our and our designee's cost of providing services and future policy changes. Currently, we have no plans to increase payments over which we have control.

We do not provide financing to franchisees either directly or indirectly in connection with the initial investment requirements. The availability and terms of financing obtained from third parties will depend upon such factors as the availability of financing, your credit worthiness, collateral which you may make available, or policies of local lending institutions with respect to the nature of the business.

ITEM 8 **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

To ensure that the quality of the goods and services you offer under our Proprietary Marks is consistent with those we offer, you must develop and operate the Restaurant under our standards and specifications as more specifically described below.

Insurance

You must obtain and maintain all insurance required by law or that you determine is necessary or appropriate for liabilities caused by or occurring in connection with the development or operation of the Restaurant, which must include, at a minimum, insurance policies of the kinds, and in the amounts, we periodically require. Franchisor, TGIF Inc. (as our manager), and any entity with an insurable interest designated by us, must be named as an additional insured in all policies, with the exception of Workers' Compensation only, to the extent each has an insurable interest. Waivers of subrogation against us and TGIF Inc. will also be provided for all policies, including the Property Insurance, Builders Risk, General Liability, Liquor Liability, Automobile Liability, and Workers' Compensation policies. We may increase

the minimum coverage required and require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards or other relevant changes in circumstances. You will receive written notice of such modifications and must take prompt action to secure the additional coverage or higher policy limits.

These required insurance policies include, at a minimum, the following: (1) Commercial General Liability Insurance, providing coverage for bodily injury, personal injury, advertising injury, property damage, products liability, completed operations with a limit of not less than \$10,000,000, auto liability insurance on owned, non-owned and hired automobiles with a limit of not less than \$10,000,000 and liquor liability/dram shop insurance with a minimum limit of \$10,000,000 (this insurance must be on an occurrence based policy form, and may be provided by a combination of primary and excess liability policies); (2) Workers' Compensation Insurance in such amount as may be required by applicable statute or rule and Employer's Liability Insurance with a limit of not less than \$1,000,000; (3) "All Risk" Property Insurance on the Restaurant with replacement costs coverage and business interruption insurance covering our fees, with Franchisor named as a loss payee on the policy with respect to those fees; (4) Builder's All Risk Insurance in connection with the initial construction, facilities remodeling, relocation or any other substantial construction of the Restaurant; (5) Employment Practices Liability insurance with a limit of not less than \$1,000,000; and (6) Cyber Liability insurance with a limit of not less than \$1,000,000. You also must maintain performance and completion bonds in forms and amounts, and written by carrier(s), reasonably satisfactory to us.

Each liability policy must be endorsed to be primary and non-contributory and must contain either a "cross-liability" endorsement or a "separation of insureds" provision. Each insurance policy must be written by an insurance company that has received and maintains an A.M. Best Rating of "(A) VII" or better (or comparable ratings from a reputable insurance rating service, in the event such A.M. Best ratings are discontinued or materially altered).

You must provide us with original certificates of insurance acceptable to us evidencing that the policies are in effect at the earlier of (1) the start of construction or renovation, or (2) the date the Restaurant opens, and on each policy renewal date thereafter. If you fail to obtain or maintain the required insurance, we have the right to acquire such insurance and collect the cost thereof, plus our out of pocket expenses.

Kitchen Equipment, Décor, Inventory, Food and Beverage

Except for the computer system as described under Information Technology below, we do not require you to purchase or lease products, services, supplies, fixtures, equipment, inventory or real estate from us or our affiliates to establish or operate the Restaurant. However, in addition to complying with our standards and specifications, we do require you to obtain all inventory, supplies, products and materials you use in the development and operation of the Restaurant (including our proprietary items) only from suppliers we have approved. We, our designee, or an affiliate may be such a supplier. None of our officers own any interest in any of our suppliers.

We and our designees have arrangements with other third party suppliers to provide you with our proprietary items, as well as with other services, fixtures, furnishings and equipment (including kitchen equipment and décor), signs and recorded music we require or permit you to use in the Restaurant. We and our designees also have arrangements with various third party suppliers of food and beverage products. TGIF Inc. presently arranges for the procurement of kitchen equipment, furniture and décor for the Restaurants and collects purchasing fees as follows: (1) no purchasing fee for a new Restaurant or a Fridays Restaurant reimage or remodel; and (2) 8% of the total purchase amount for items purchased for repair or replacement at an existing Restaurant. (See Items 5 and 7).

We and our affiliates receive certain discounts, rebates, purchasing fees, brokerage commissions, contract incentives and growth fees on certain purchases from unaffiliated suppliers. The discounts, rebates, purchasing fees, brokerage commissions, contract incentives and growth fees vary from supplier to supplier, and are generally based on a percentage of sales (although some suppliers may pay rebates based on a fixed fee arrangement). Certain discounts are made available to franchisees who purchase through recommended suppliers and distributors of our or our affiliate's purchasing department. Some of the savings we and our affiliates may retain compensate us for our efforts in creating growth volumes through negotiating contracts and administering these programs. In our fiscal year ended December 25, 2023, we did not earn any revenues from required purchases and leases by franchisees. For the fiscal year ended December 25, 2023, TGIF Inc. earned \$1,232,312 in revenues (or approximately 0.2% of its total revenues in 2023 of \$501,834,321) from required purchases and leases by franchisees. While TGIF Inc. may retain rebates, purchasing fees, brokerage commissions, contract incentives and growth fees received from unaffiliated suppliers, some of those amounts are passed on to Fridays Restaurants based upon their actual purchases and some of those amounts are used to enhance the offerings at conferences and for various brand initiatives.

We give you a list of suppliers we and/or our predecessor have approved together with an Approved Product List. We also have criteria for supplier approval that is available to you. If you wish to purchase or lease any items from a supplier to whom we or our predecessor have not consented, you or the supplier must submit a written request to us. Our review typically is completed in 60 days. As a condition of our consent, we must be allowed to inspect the supplier's facilities and samples of its products. We can require the supplier to deliver its samples either to us or to an independent laboratory we select for testing. We also may, at our option re-inspect the facilities and products of any supplier and revoke our consent if the supplier fails to continue to meet our criteria. We require you to follow our supplier approval process, including placing a deposit to cover costs. We require you to pay our costs of inspecting the supplier's facility and testing samples of its products. (See Item 6.) Depending upon the scope and nature of the inspection necessary, fees may vary significantly. All suppliers must demonstrate that they have the ability to meet our standards and specifications for the items they supply (including our financial requirements), fill a need in the supply chain, reduce system costs while maintaining or improving quality, supply, service and brand identification, possess quality controls, have the capacity to supply our franchisees' needs promptly and reliably in a manner consistent with our standards and specifications, and compliment any existing contractual obligations or brand strategies.

At the date of this Disclosure Document, we do not require you to participate in any purchasing or distribution cooperative. However, we and our designees do negotiate purchase arrangements, including price terms, with certain suppliers on behalf of the System.

The costs and expenses for delivery of inventory to certain geographical areas, such as the Pacific Northwest (Oregon, Washington, Idaho, Utah and Montana), may vary considerably and you may experience increased costs and expenses compared to most other Fridays Restaurants due to supply and distribution costs. Depending on the geographical location for delivery of your inventory, food and beverage costs as a percentage of your total sales may be higher than that of many other Fridays Restaurants in the System.

The cost of our required purchases and leases or items under our specifications represents approximately 90% of your total cost of all purchases and leases of goods and services in establishing and operating a Restaurant.

Information Technology

We define the technical standards and specifications used in the Restaurant and require that you purchase the equipment and services comprising the standard configuration for all technology used in each Restaurant. The entire system includes hardware and software for the back office system, point of sale system, kitchen management system, network and Guest Internet, learning management system, integrated Loyalty Program processing, integrated credit card processing and integrated gift card processing.

Currently, TGIF Inc. acts as your purchasing agent to procure certain proprietary and non-proprietary computer hardware and software used in these systems. All purchases on your behalf are made at TGIF Inc.'s then current negotiated rates. TGIF Inc. currently does not charge a fee or mark up for this service; however, we may charge a fee and change our pricing and policies in the future. TGIF Inc. recorded no revenues for hardware and software purchases described in this Disclosure Document since the provisioning of these items is treated as a pass-through under generally accepted accounting principles.

We require that you use only technical installers approved by us or our designee. We or our designee also provide technical support for your staff and systems.

We require that you comply with software licensing requirements, licensing and services renewals and applicable hosting fees.

We recommend that you purchase hardware maintenance coverage, through our then contracted provider(s), for the computer systems installed at the Restaurant.

Gift Card Program

We use electronic gift cards throughout the System and participation is mandatory. You will be required to obtain the necessary hardware to allow connectivity to activate the gift cards and process redemptions. The cost per location will vary depending on the point of sale system currently in use at the Restaurant. At the same time as you sign the Franchise Agreement, you will be required to sign and deliver to us the then-current form of Gift Card Participation Agreement (Exhibit N).

Loyalty Program

TGIF Inc. owns and manages a guest membership program, which is currently called "Fridays Rewards[®]," in which you are required to participate ("Loyalty Program"). (See Item 11) TGIF Inc. does not receive any revenues from franchisees utilizing the Loyalty Program. If you execute all required agreements, an approved third party will provide you access for an annual fee to marketing tools that allow you to send emails to a preloaded list of Loyalty Program members. You are not required to use these tools.

In-Store Music Service Program

Participation in an approved in-restaurant music system is mandatory. We currently require franchisees to obtain music from Playnetwork, Inc. Playnetwork Inc. requires that you (i) lease certain equipment (currently \$5.25 per month per player), and (ii) pay a monthly flat music services fee (currently \$27.30 per month), per Fridays Restaurant. We may change to a new music system and vendor in the future and you will be required to migrate to, and pay any associated costs and expenses of, the new system. You will be required to comply with all music licensing laws in relation to music you play through the music system, on the radio, on televisions and through live entertainment, disc jockeys, karaoke, trivia nights and any other entertainment that includes music. You must, at your own expense, obtain all necessary music licenses from third-party

providers (such as ASCAP, BMI, SESAC, and GMR). The price of these music licenses will vary based on the provider and the Restaurant's needs.

Guest Internet Standards

Our System Standards include required precautions for Guest Internet Standards to protect the Brand, our guests and your business. Participation in and meeting the Guest Internet Standards is mandatory. You will be required to install the Guest Internet solution defined by us which (i) provides content filtering for adult and other offensive content and (ii) provides fraud protection and controls.

Payment Card Industry Data Security Standards Compliance Framework

Our System Standards include Payment Card Industry (PCI) Data Security Standards Compliance Framework. You are required to comply with the current Payment Card Industry Data Security Standards as those standards may be revised and modified by the PCI Security Standards Council, LLC, which can be found at (https://www.pcisecuritystandards.org/pci_security/maintaining_payment_security), or any successor or replacement organization, and/or in accordance with other standards as we may specify. As of this publication date, all Level 1 and Level 2 Merchants are required to have their PCI assessments conducted by either a third party Qualified Security Assessor ("QSA") or a certified Internal Security Assessor ("ISA"). You are required to submit annually to our or our designee's Information Security Department via electronic mail at informationsecurity@fridays.com a fully completed copy of your PCI Attestation of Compliance

When determining whether to grant new or additional franchises, we consider many factors, including compliance with the requirements described in this Item 8.

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Development Agreement, Franchise Agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.

	Obligation	Section in Development Agreement (DA) and Franchise Agreement (FA)	Item in Disclosure Document
a.	Site selection and acquisition/ lease	DA: Section 5.B, C & D FA: Section 3	Items 8, 11
b.	Pre-opening purchases/ leases	DA: Sections 5.A & E FA: Sections 3.D, 4, 5, 8.B, 13.J, 13.N, 13.O & 15	Items 5, 7, 8, 11
c.	Site development and other pre-opening requirements	DA: Section 5 FA: Sections 4 & 5	Items 8, 11

	Obligation	Section in Development Agreement (DA) and Franchise Agreement (FA)	Item in Disclosure Document
d.	Initial and ongoing training	DA: Section 6 FA: Sections 11, 13.U, 16.G & H	Items 6,11
e.	Opening	DA: Not Applicable FA: Section 5	Item 11
f.	Fees	DA: Section 4 FA: Sections 6 & 8, 21.D, Exhibit B	Items 5, 6, 7, 17
g.	Compliance with standards and policies/Manuals	DA: Section 5.D(2) FA: Sections 1, 9, 10 & 13	Items 8, 11
h.	Trademarks and proprietary information	DA: Sections 2.A, 5.D(2), 12.B & Exhibit E FA: Sections 14, 20 & Exhibit G	Items 13, 14
i.	Restrictions on products/services offered	DA: Not Applicable FA: Sections 13.A, B & C	Items 11, 16
j.	Warranty and customer service requirements	DA: Not Applicable FA: Section 13.S	Item 16
k.	Territorial development and sales quotas	DA: Section 3 & Exhibit B FA: Not Applicable	Item 12
l.	Ongoing product/service purchases	DA: Not Applicable FA: Sections 4.C & 13.B	Items 5, 6, 8
m.	Maintenance, appearance and remodeling requirements	DA: 5.D(2) FA: Sections 3.C (2), 13.F & R	Items 6, 17
n.	Insurance	DA: Section 7 FA: Section 15	Items 6, 7, 11
o.	Advertising	DA: Not Applicable FA: Sections 8, 13.E, F, H & X(1); Exhibits B & C	Items 6, 11

	Obligation	Section in Development Agreement (DA) and Franchise Agreement (FA)	Item in Disclosure Document
p.	Indemnification	DA: Section 15.B FA: Section 24.B	Items 10, 14, 15, 17
q.	Owner's participation/ management/ staffing	DA: Sections 8.E, F & G FA: Sections 13.U, 16.G & 16.H	Item 15
r.	Records and reports	DA: Not Applicable FA: Section 7	Item 17
s.	Inspections and audits	DA: Not Applicable FA: Sections 4.A(5), 4.D, 5.A, 7.G, 12.C & 13.T	Item 6
t.	Transfer	DA: Sections 9 & 10 FA: Sections 17 & 18	Item 17
u.	Renewal	DA: Not Applicable FA: Section 2.B	Item 17
v.	Post-termination obligations	DA: Section 14 FA: Section 22	Item 17
w.	Non-competition covenants	DA: Section 12 FA: Section 20	Item 17
x.	Dispute resolution	DA Section 20 FA: Section 29	Item 17

ITEM 10
FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

As noted in Item 1, we have entered into a management agreement with TGIF Inc. for the provision of support and services to Fridays Restaurant franchisees. However, we remain responsible for all of the support and services required under the Franchise Agreement and Development Agreement.

Except as listed below, we are not required to provide you with any assistance.

Franchisor's Obligations Prior To Opening

Before you open your Restaurant, we will:

1. Complete the following site selection review process: (A) provide our site selection guidelines including two sets of our standard plans and specifications for the construction of a prototypical Fridays Restaurant and, as you may request, a reasonable amount of consultation with respect thereto; and (B) provide such on-site evaluation as we may deem advisable as part of our evaluation of your request for site approval. (Development Agreement, Section 5.B; Franchise Agreement, Section 3.A)
2. At our discretion, conduct one visit to your proposed Restaurant site at our cost. (Development Agreement, Section 5.C(1); Franchise Agreement, Section 3.A(2))
3. We will advise you in writing whether we have approved a site within 45 days after we receive your Real Estate Site Application and any additional information that we may reasonably require. If we do not respond within 45 days, we will be deemed to have rejected the site. (Development Agreement, Section 5.D; Franchise Agreement, Section 3.C)
4. Review and consent to (or reject) your proposed occupancy contract granting you rights to the site. (Development Agreement, Section 5.E, Rider 1; Franchise Agreement, Section 3.D, Rider 3)
5. Furnish you with prototypical plans and specifications, including general requirements for dimensions, design image, interior layout, décor, fixtures, equipment, signs, furnishings, storefront and color scheme. It will be your responsibility to have prepared all required construction plans and specifications to suit the shape and dimensions of the Restaurant premises, and you must ensure that these plans and specifications comply with applicable ordinances, building codes and permit requirements and with lease requirements and restrictions. (Franchise Agreement, Section 4.A(2))
6. At your request and expense and in our discretion, make available to you (A) architectural consultation and advice; (B) preparation of construction plans, specifications and drawings for the construction; and (C) consultation and advice on the purchase, display and installation of typical décor. (Franchise Agreement, Section 4.A(2))
7. We will review and consent or reject your proposed registered architects, registered engineers and professional and licensed contractors. (Franchise Agreement, Section 4.A(3))
8. We will provide you with approval or rejection of your construction plans for your Restaurant within 30 days after we receive the plans. If you propose changes to the plans, we will review and approve or reject the plan changes within 10 business days after receipt. (Franchise Agreement, Section 4.A(4))

9. In our discretion, furnish guidance to you in constructing the Restaurant and periodically inspect the Restaurant premises during its construction. (Franchise Agreement, Section 4.A(5) and 4.D)
10. Purchase from us and our designees the required computer systems. If you request, we will review your request to use any fixtures, furnishings, equipment or signs which previously have not been approved by us within 30 days after receipt of your request. (Franchise Agreement, Section 4.C)
11. Provide you with a final inspection of the Restaurant, if we choose to conduct one, and provide you with express written authorization to open the Restaurant if you have complied with all conditions. (Franchise Agreement, Section 5)
12. Provide access to our Manuals, which contain information and knowledge that is unique, necessary and material to the System, including mandatory specifications and standards relating to the construction, management and operation of Fridays Restaurants ("System Standards"). We may revise the contents of the Manuals, and you agree to comply with each new or changed section. (Franchise Agreement, Section 9) The Table of Contents of the training-related Manuals as of the date of this Disclosure Document, which can be viewed through Fridays Metro, is set forth in Exhibit K. The training-related Manuals contain a total of approximately 1,317 pages. Other Manuals containing supplier or provider information will be provided electronically via a SharePoint site or other web-based platform.
13. Provide you with consultation and advice with regard to the development and operation of the Restaurant, building layout, furnishings, fixtures and equipment plans and specifications, purchasing and inventory control and such other matters as we deem appropriate. (Development Agreement, Section 6.C; Franchise Agreement, Section 12.A)
14. Provide an Owner Orientation Program to you and your Principals. (Development Agreement, Section 6.A; Franchise Agreement Section 11.A)
15. Provide our Management Training Program to you, your Development Principal, your Operating Principal, the Restaurant's general manager, kitchen manager and at least two other salaried managers. The details of the Management Training Program are described later in this Item. (Development Agreement, Section 6.B; Franchise Agreement, Section 11.B)
16. Provide some (or, in certain circumstances, all) of the members of a NSO Team at your cost, to assist you in training your employees at the Restaurant premises and in opening the Restaurant. (Franchise Agreement, Section 11.C)

Franchisor's Obligations After Opening

During the operation of your Restaurant, we will:

1. Collect, administer and spend for advertising purposes monies paid by franchisees and company-operated restaurants into our National Advertising Fund and Regional Advertising Funds (if established). (Franchise Agreement, Sections 8.A, C and D)
2. Establish (or permit franchisees in relevant geographic areas to establish) Regional Co-ops. (Franchise Agreement, Section 8.E)

3. Provide you with guidelines for local advertising and promotion from time to time. You must submit to us at least 30 days prior to first use for our prior approval any local advertising and promotional materials purchased from a source other than us or our affiliates. (Franchise Agreement, Section 8.G)
4. Develop and administer other advertising, marketing and sales promotion programs in which you must participate on the terms and conditions we establish. (Franchise Agreement, Section 8.H)
5. Establish and maintain forms of Digital Media (including the Fridays Websites) that provide information about the System and the products and services that Fridays Restaurants offer. (Franchise Agreement, Sections 8.H and I)
6. We may change or modify the System, including modifications to the Manuals, our System Standards, the menu and menu formats, the required equipment, the signage, the building and premises of the Restaurant (including the trade dress, décor and color schemes), the presentation of the Proprietary Marks, the adoption of new administrative forms and means of reporting and payment of any monies owed to us and the adoption and use of new or modified Proprietary Marks or copyrighted materials. (Franchise Agreement, Section 10.A)
7. Provide additional training to you, the Operating Principal and your Restaurant managers, if we decide to offer any additional training, which may incur additional costs. (Franchise Agreement, Section 11.E)
8. Provide periodic advice and consultation to you in connection with the operation of the Restaurant as we deem appropriate or necessary. (Franchise Agreement, Section 12.B)
9. Conduct periodic inspections of the Restaurant and its operations. (Franchise Agreement, Section 12.C and 13.T)
10. Provide you with a list of our approved suppliers and evaluate any proposals for alternate suppliers. (Franchise Agreement, Section 13.B)

Site Selection

We do not select the site for your Restaurant. You select the site for your Restaurant (subject to our acceptance). If no site has been designated at the time you sign the Franchise Agreement, you must select the site from a designated market area mutually agreed to in writing by you and us, and you must obtain acceptance of a site within 90 days after the effective date of the Franchise Agreement. If the site is developed under a Development Agreement, you must obtain site acceptance from us by the site acceptance deadline identified in your Development Schedule. If we have not accepted a site within the relevant time period, we, at our option, may terminate the Development Agreement or the Franchise Agreement, respectively.

You must submit to us a Real Estate Site Application (containing that information as we may reasonably require) for a proposed site which you reasonably believe conforms to site selection criteria we establish from time to time. The Real Estate Site Application must include a description of the site, a feasibility study (including demographic data, photographs, maps, artists' renderings, site plans, a copy of the Occupancy Contract and documentation indicating your prospects to acquire a possessory interest in the site) and other information that we request. You also must furnish us with such financial statements and other information regarding you and the development and operation of the proposed Restaurant, including, without limitation, investment and financing plans for the proposed Restaurant. We may conduct an on-site evaluation of your proposed site.

Upon receipt of your Real Estate Site Application and other requested materials, we will review those materials and evaluate the proposed site using our then-current site selection criteria. Within 45 days after we receive the Real Estate Site Application and any additional information that we may reasonably require, we will advise you in writing whether we have accepted a particular site. If we do not respond within that time period, we will be deemed to have denied acceptance of the site. Our acceptance of one or more sites is not a representation or a promise by us that a Restaurant at an accepted site will achieve a certain sales volume or a certain level of profitability. Similarly, our approval of one or more sites and our rejection of other sites is not a representation or a promise that an accepted site will have a higher sales volume or be more profitable than a site that we did not accept.

Within 60 days after we accept a site for your Restaurant, you must submit for our review and approval a copy of the Occupancy Contract for the site. If you are developing the Restaurant under the Development Agreement, you must sign a Franchise Agreement for the Restaurant within 30 days after you sign the Occupancy Contract for the site.

Time Between Agreement Signing and Opening

We estimate that the time period from the execution of the Franchise Agreement to time the Restaurant opens will be approximately 17 months but may vary significantly. Factors affecting the length of time include the actual time spent in obtaining a satisfactory site, completing financing arrangements and construction, obtaining delivery and installation of equipment and signs, and other factors such as weather, acts of God and labor stoppages.

Training

We offer a number of different training programs. Except as described below, all training is restaurant based. Each phase of the training is administered by management teams and in-house Coaches (Trainers) either in a company-owned Center of Excellence or an existing franchise Center of Excellence. The training is monitored by our franchise operational support team members.

The Principal Owner whom you designate as your Representative must attend and successfully complete our Owner's Orientation Program. This program extends for approximately two days and focuses on the overall operation and management philosophy of a Restaurant. At his or her option, your Representative may also participate in all or any part of the Management Training Program we require your managers to attend.

At least 90 days before your Restaurant opens for business, and during the Term of the Franchise Agreement, the Principal Owner whom you designate as your Operating Principal, the Restaurant's general manager, kitchen manager and at least two other Restaurant managers must attend, and successfully complete our then current Management Training Program. Our current Management Training Program consists of an eight week in-store program, named "Restaurant Management Essentials" (RME) and a three-day seminar titled "Leadership that Rocks" (LTR). RME includes classroom and online instruction, and on-the-job training and is held at a Fridays Restaurant that has received Franchisor's certification to conduct training programs ("Center of Excellence Restaurant") or at our designated training facilities. Your kitchen managers and general managers must complete additional training designated for Kitchen Managers and General Managers currently named "Kitchen Manager Essentials" (KME) and "Impact General Manager Essentials Program." These courses are self-paced programs; however, KME may not be completed in less than two weeks and the Essentials level of the General Manager Program may not be completed in less than

two months in order to guarantee the participant meets all of the program requirements. After managers complete the in-restaurant part of their training, managers must attend the LTR workshop, which may be conducted in the market or centrally at our corporate support center. Our Management Training Program covers front of the house and back of the house training, as well as management philosophies, supervising skills, bar, office and dining room management training. A manager receives instruction in the performance of all positions necessary to the operation of a Restaurant, including basic restaurant administrative and operating procedures and the selection and training of team members. As part of the Management Training Program, attendees must successfully complete a Certified Professional Food Manager training and certification program as specified by us. The eight-week management training is a blended training program offered through Fridays Metro, our learning management system. All training, whether it is online courses or in-restaurant hands-on training, is tracked online. Leadership skills workshops are held continuously throughout the year. We will identify any management employee of yours who successfully completes the Management Training Program as a "Validated Manager."

We will not authorize the Restaurant to open until an adequate number of your managers, as determined by us in our sole discretion as necessary to protect the goodwill associated with the Proprietary Marks, have attended, successfully completed and been "validated" in the Management Training Program. Subsequent to the opening of the Restaurant, any employee of yours who assumes any management position must, within 60 days after assuming such position, attend the Management Training Program and become validated for that position after completing such training. The Management Training Program will be provided by us, unless a Restaurant operated by you has been certified as a Center of Excellence Restaurant. You will be required to pay for all training materials and uniforms in addition to all travel expenses, living expenses, wages and other incident expenses incurred by you and your employees while attending the training. We may charge a fee for our training services in excess of your out-of-pocket expenses. In the event that your manager(s) must be trained at another Fridays Restaurant not operated by you, whether it is owned by us, our designee, or another Fridays Restaurant franchisee, you must pay a fee of \$500 per trainee to the owner of the Fridays Restaurant in which the training takes place.

If you replace your Operating Principal who manages and supervises your business on a full time basis, your replacement must attend and successfully complete our Management Training Program within 30 days after he or she is appointed. If you sign a Franchise Agreement for a third Restaurant, the person you designate as your Multi-Unit Manager must attend and successfully complete our training program for multi-unit managers, which currently is a self-study program which extends for approximately four weeks and is delivered and tracked through Fridays Metro. Your multi-unit manager must have also previously completed manager training, including KME and IGM.

We offer our training programs as needed during the year depending on the number of new owners, operators, managers, and multi-unit managers needing training. You also must pay the costs of sending your Operating Principal, Multi-Unit Managers, all Restaurant managers and any person you designate as a Project Manager to coordinate and complete Restaurant construction, to our headquarters, if we require, for an interview with us before he or she is hired.

Your Validated Managers are responsible for training your staff at your own expense. If we determine that your Validated Managers are no longer qualified to train your staff, we will require your Validated Managers to attend the Management Training Program and be re-validated and you must pay a tuition fee for this additional training. If you do not have Validated Managers to train your staff, we will send a trainer to the Restaurant to train your hourly employees and you must pay all salary, travel, food, lodging and other expenses incurred by our or our designee's trainers.

If you operate three or more Restaurants, within 90 days after you open your third Restaurant, you may request permission to establish one of your Restaurants as a Center of Excellence Restaurant at which you will train your employees and your managers. We must certify the Restaurant as a Center of Excellence Restaurant before you may begin training there. Such certification will be based upon the criteria set forth on the attached Exhibit M. We or our designee may periodically visit the Center of Excellence Restaurant to ensure that it continues to meet our standards. We may revoke our certification if the Center of Excellence Restaurant ceases to meet those standards. If you operate a Center of Excellence Restaurant, you must offer the Management Training Program to your managers at your own expense. We do not currently require our franchisees to validate a Restaurant as a Center of Excellence, however, we may make such validation mandatory.

You are strongly encouraged to train your team members in responsible alcohol service. Our corporate program – "S.U.R.F." (Serving Up Responsible Fun) is available for your use via Fridays Metro. Other alcohol awareness programs are available through the National Restaurant Association, state restaurant associations, state beverage commissions and from hospitality industry consultants.

In order to facilitate all online training and testing and make it available to all managers and team members, you will be required to purchase devices or a similar platform as part of the required computer systems, the type and number of which we may specify, and provide WiFi access within the Restaurant.

New Store Opening ("NSO") Seminar for Trainers

Attendance at this two-day seminar is required prior to any trainer's participation at an NSO. Prior to attending the seminar, the trainer must complete and submit a NSO application. Seminars are scheduled in markets when there are enough candidates ready (not less than 10). The seminar must be facilitated by a NSO representative employed by us or our designee or by a designated employee validated by the NSO representative. A designated employee includes, but is not limited to, a franchise representative or a NSO team leader, and/or a NSO team leader and/or a NSO team leader in training, who are on our or our designee's corporate roster as validated trainers. Additionally, all final paperwork must be completed and sent to the NSO representative before the trainers' name will be placed on the active database.

Your NSO trainers must obtain any alcohol and food certifications required by local jurisdictions of the Restaurant prior to reporting to the Restaurant. These certifications must be tracked the same as any other hourly employee until the NSO trainer no longer reports to the NSO. The cost to secure and track such certifications is your responsibility as part of the training costs.

Additional Training

We may require that you, your Operating Principal, and your restaurant managers take and successfully complete other training courses in addition to the initial training program. In addition, your Operating Principal must attend our annual meeting, convention or conference of franchisees and all meetings relating to new products or product preparation procedures, new operational procedures or programs, restaurant management, sales or sales promotion, or similar topics, at your expense. We may also require that your Operating Principal attend additional meetings that we deem appropriate under special circumstances, provided, however, that we will not require more than one additional meeting every year and we will provide written notice of any such meeting at least 10 days prior to the meeting.

The following charts summarize our current initial training programs:

Training Program
Owner's Orientation Program (Note 1)

Subject	Hours of Classroom Training	Hours of on-the-Job Training	Location
Leadership Team Members	30 to 90 minutes	0	Dallas, Texas
Human Resources	30 to 90 minutes	0	Dallas, Texas
Purchasing/Distribution	30 to 90 minutes	0	Dallas, Texas
Information Systems	30 to 90 minutes	0	Dallas, Texas
Culinary Center/Product Development	30 to 90 minutes	0	Dallas, Texas
Concept	30 to 90 minutes	0	Dallas, Texas
Legal	30 to 90 minutes	0	Dallas, Texas
Development	30 to 90 minutes	0	Dallas, Texas
Operations	30 to 90 minutes	0	Dallas, Texas
Marketing	30 to 90 minutes	0	Dallas, Texas
Architect & Engineering	30 to 90 minutes	0	Dallas, Texas
Total	5.5 to 16.5 hours	0 hours	

(Note 1) Our Owner's Orientation Program may be modified based on the previous experience of those attending the program. We may change the content and/or design of the program if we believe other subjects or a different format is beneficial.

Management Training Program (Note 1)

Subject	Hours of Classroom Training	Hours of on the Job Training	Location
Fry Station	0	22	Center of Excellence Restaurants in the field
Plate/Nacho Station	0	22	Center of Excellence Restaurants in the field
Sauté Station	0	22	Center of Excellence Restaurants in the field

Subject	Hours of Classroom Training	Hours of on the Job Training	Location
Broiler Station	0	22	Center of Excellence Restaurants in the field
Dish Station	0	5	Center of Excellence Restaurants in the field
Host/Hostess Station	0	22	Center of Excellence Restaurants in the field
Busser Station	0	5	Center of Excellence Restaurants in the field
W/W Station	0	22	Center of Excellence Restaurants in the field
Bartender Stations	0	33	Center of Excellence Restaurants in the field
Manager Follows	0	55	Center of Excellence Restaurants in the field
ServSafe Exam	8 (online course)	0	Fridays Metro
Leadership that Rocks Workshop	24	230	Designated facility in the market
Restaurant Management Systems	40 (various online courses)	0	Fridays Metro
Total	72 hours	460 hours	

(Note 1) We may change the content and/or design of the program if we believe other subjects or a different format is beneficial. All on the job training is conducted by the management team of the Restaurant where the training takes place, or by "Coaches." Coaches are Restaurant team members who have been qualified as trainers for a particular activity in addition to their other in store duties. The experience of the Coaches averages about 5 years. For example, a bartender may also be a bartender Coach, and team members who have held several different positions in the Restaurant may be Coaches for several positions in addition to the position they currently hold. Our initial training and pre-opening training will be conducted by persons who have worked for the Fridays-brand for at least 6 months and successfully completed our Coach validation program. The Coach validation requirements vary depending on the subject matter for which the employee has been validated to provide training. The instructor will vary depending on the time, location and subject matter taught. Although TGIF Inc. maintains a validated coaching staff (hourly team members, managers, General Manager, Director of Operations) for the corporate owned Restaurants, there is no formal franchisee training staff.

In addition, we require your Operating Principal and all general managers to attend a NSO Manager's orientation and a Train the Trainer Workshop as part of their training.

Multi-Unit Manager Program (Note 1)

Subject	Hours of Classroom Training	Hours of on the Job Training	Location
Field Training	6	120	Restaurants in the field
Personal Development (Note 2)	41.5	0	Self Study
Total	47.5 hours	120 hours	

(Note 1) We may change the content and/or design of the program if we believe other subjects or a different format is beneficial.

(Note 2) Personal Development is delivered via Fridays Metro and taught by members of our or our designee's Operations staff.

Advertising

Grand Opening Required Spending. You must, during the period beginning 30 days before the scheduled opening of the Restaurant and continuing for 90 days after the Restaurant first opens for business, spend at least \$15,000 to conduct grand opening advertising in authorized advertising media and for authorized expenditures. Authorized grand opening expenditures include, but are not limited to, direct mail, newspaper or magazine advertising, outdoor advertising, radio, limited time radio remotes/events, flyers, geographically targeted digital advertising, local social media, and exterior banners. Examples of unauthorized expenditures include, but are not limited to, restaurant signage, chalkboards, training materials or advertising of training events, menus, uniforms or advertising received at no-cost or trade. You must submit a grand opening advertising plan to us for approval 90 days prior to the scheduled opening of the Restaurant. You must submit all advertising creative for approval prior to production. You will be required, within 10 days after the end of the grand opening period, to submit to us proof of your grand opening advertising expenditures.

Marketing Contributions and Expenses. During the term of the Franchise Agreement, you will have a periodic advertising and promotion obligation ("APO") in the amount of up to 5% of the Gross Sales of the Restaurant. You will pay that portion of the APO as we direct to a National Advertising Fund and to any Regional Advertising Fund or, in lieu of a Regional Advertising Fund, a Regional Co-op Fund that we may establish in the geographic area that covers your Restaurant premises. (We will determine the geographic area covered by a Regional Advertising Fund or a Regional Co-op based on the location of the Fridays Restaurants in the area and the reach of print, radio and television media in the area.) The remainder of the APO, if any, must be spent for Local Store Marketing. As of the date of this Disclosure Document, we have not yet established any Regional Advertising Fund or Regional Co-op, and you are not required to spend any amount on Local Store Marketing. We have the right, following written notice to you, to reallocate the APO and to increase the APO; however, we will not increase the APO above 5% of Gross Sales. This limitation on us does not prevent the Restaurant's Regional Co-op from requiring a contribution, that when added to your National Advertising Fund contribution, results in a total APO in excess of 5% of Gross Sales.

2024 Advertising Contribution

You must contribute 1.5% of the Gross Sales of your Restaurant to the National Advertising Fund during fiscal year 2024. Corporate locations currently contribute to national advertising at the same rate as our new franchisees.

National Advertising Fund. We and our predecessor have established and administer a National Advertising Fund to which our franchised and corporate owned Restaurants contribute. Certain funds that we receive from unaffiliated suppliers are also placed in this Fund and may be earmarked for use only in certain types of brand advertisements.

We or our designee shall direct all advertising, marketing, and public relations programs and activities financed by the National Advertising Fund, with sole discretion over the creative concepts, materials and endorsements used in those programs and activities, and the geographic, market and media placement and allocation of advertising and marketing materials. The National Advertising Fund may be used among other things to pay the costs of preparing and producing such associated materials and programs as we or our designee may determine, including, but not limited to, the following: (1) creative development and production of print ads, commercials, radio spots, electronic ads, point of purchase materials, direct mail pieces, door hangers, and other advertising and marketing materials; (2) creative development, preparation, production and placement of video, audio, and written materials and electronic media; (3) media placement and buying, such as purchases of advertising spots with our designated third-party delivery service providers, including all associated expenses and fees; (4) administering local, regional and/or multi-regional marketing and advertising programs including the hiring of personnel or services; (5) market research, new product testing and marketing, and customer satisfaction surveys, including the use of secret shoppers; (6) the creative development of, and actual production associated with, premium items, giveaways, promotions, contests, public relation events, and charitable or nonprofit events; (7) creative development of menus, signage, posters, and individual Fridays Restaurant décor items including wall graphics and signage; (8) Digital Media, Extranet and/or Intranet development and maintenance as well as mobile creative, technology and other emerging digital initiatives; (9) development, implementation, and maintenance of an electronic commerce website and/or related strategies; (10) development and implementation of search engine optimization strategies; (11) development and administration of consumer surveys, interviews and other customer satisfaction and retention policies; (12) retention and payment of advertising and marketing agencies and other outside advisors including retainer and management fees; (13) co-branding or licensing programs; (14) public relations and community involvement activities and programs; and (15) gift card and loyalty programs. From time to time, we or our designee may furnish you with marketing, advertising and promotional materials at the cost of producing them, plus any related shipping, handling and storage charges. You may not modify any of these materials without our prior written consent.

Our predecessor established a Friday's Marketing Advisory Council ("FMAC") that provides guidance over marketing, sales promotions, and other related activities to help shape the overall national marketing and promotion strategies as well as administering the National Advertising Fund. The FMAC is comprised of seventeen Directors. Nine of these Directors are employees of TGIF Inc. and are appointed by the Chief Executive Officer of TGIF Inc. The remaining eight Directors are franchisee Directors, who are expected to represent the franchisees in the System. The eight largest franchisee groups (by store count) in the U.S. are each entitled to appoint one franchisee Director. All Directors serve until they are replaced.

If there are any deficits in the amount of advertising funds collected by the National Advertising Fund from the System for advertising expenditures, then those amounts will be allocated to all Friday's Restaurants on a pro-rata basis.

We are not required to make expenditures in your territory that are equivalent or proportionate to your contribution to the Fund or to ensure that you, or any other franchisee, benefit directly or pro rata from the placement of advertising.

We, or our representatives, prepare an annual statement of National Advertising Fund expenditures. We provide these statements to our franchisees on request. For our fiscal year ended December 26, 2023, the following percentage breakdown describes the use of the Fund:

Media	56%
Digital/Rewards/Activations	18.4%
Production	2.6%
Fees	13.2%
Other ⁽¹⁾	9.8%

⁽¹⁾ "Other" includes menus, point of purchase materials, interactive promotion, research, administrative, license fees, bad debt expenses, gift card and other related expenses.

Any Fund money which is not used in the fiscal year in which it accrues may be applied to outstanding debt/note obligations or carried over into the next year to be spent in that year.

Regional Advertising Funds

We have the right, in our sole discretion, to establish one or more regional advertising funds for Fridays Restaurants ("Regional Advertising Funds"). If a Regional Advertising Fund is established for a geographical area that includes your Restaurant, you must contribute to that Regional Advertising Fund the percentage of Gross Sales of your Restaurant specified by us in your Franchise Agreement and subsequent notices regarding the APO. We or our designee shall direct all advertising, marketing, and public relations programs and activities financed by the Regional Advertising Fund, with sole discretion over the creative concepts, materials and endorsements used in those programs and activities, and the geographic, market and media placement and allocation of advertising and marketing materials. The Regional Advertising Fund may be used to pay the costs of preparing and producing such associated materials and programs as we or our designee may determine, including video, audio and written advertising materials; employing advertising agencies; sponsorship of sporting, charitable or similar events; administering regional and multi-regional advertising programs, including purchasing direct mail and other media advertising and employing advertising agencies to assist with these efforts; and supporting public relations, market research and other advertising, promotional and marketing activities.

Regional Co-ops

In lieu of a Regional Advertising Fund for any geographic area, we may establish (or permit the franchisees in the relevant geographic area to establish) a Regional Co-op. If a Regional Co-op is established in your area, then you must contribute to the Regional Co-op in the amount set by the Regional Co-op. Monies in the Regional Co-op may be spent for the purposes determined by the Regional Co-op Bylaws or other applicable guidelines, which will be made available to franchisees upon request. Unless otherwise consented to in writing by us, the Regional Co-op Fund shall only conduct advertising that

conforms with those advertising and sales promotions specified by us from time to time (including the media in which conducted). All advertising shall be submitted to us prior to first use and all advertising shall adhere to our standards. Each franchisee who is a member of the Regional Co-op shall be entitled to vote on Regional Co-op matters; however, a franchisee shall not be entitled to vote if it is in default under its franchise agreement or any other agreement with us or our affiliates. We always will be a member of the Regional Co-op and be entitled to attend and fully participate in Regional Co-op meetings, but we will not have a vote unless we or our affiliates operate Fridays Restaurants in the area covered by the Regional Co-op. We or our designee shall have the right to terminate (and subsequently restart) the Regional Co-op or convert the Regional Co-op to a Regional Advertising Fund. Upon termination, all monies in the Regional Co-op shall be spent for advertising and/or promotional purposes.

Administration of the Funds. We will separately account for all of the advertising funds, but we are not required to segregate any of the funds from our other monies. None of the funds shall be used to defray any of our general operating expenses, except for those reasonable administrative costs and overhead related to the administration or direction of such funds. Each fund may hire employees, either full-time or part-time, for its administration, and we and our affiliates may be reimbursed by each fund for expenses directly related to the fund's marketing programs including conducting market research, preparing advertising and marketing materials and collecting and accounting for contributions to each fund. We may spend in any fiscal year an amount greater or less than the aggregate contribution of all Fridays Restaurants to each fund during the year or cause each fund to invest any surplus for future use by the fund. We (or the individual Regional Co-Ops as applicable) will prepare an unaudited report of the operations of each fund annually, which will be available to you upon written request. Fridays Restaurants operated by us and our affiliates contribute to the various advertising funds an amount equivalent to that contributed by comparable franchised Fridays Restaurants. In spending advertising monies, we are not obligated to make expenditures for any franchisee that are equivalent or proportionate to that franchisee's contribution or to ensure that any particular franchisee benefits directly or on a pro rata basis from expenditure of the funds. None of the advertising funds are used by us for the solicitation of the sale of new franchises.

Local Store Marketing. On a monthly basis, you must spend on authorized advertising media and for authorized advertising expenditures to promote the Restaurant ("Local Store Marketing"), the percentage of Gross Sales of your Restaurant specified by us that is equal to the difference between (a) the APO and (b) the amount you are required to contribute to the National Advertising Fund and the Regional Advertising Fund or Regional Co-Op (if any). Currently, you are not required to spend any amount for Local Store Marketing. We periodically will advise you of the advertising and sales promotions approved by us including: direct mail, newspapers, magazines and other periodicals; radio and television spots; outdoor advertising (e.g., billboards, highways or transit advertising); geo-targeted digital advertising and local social media. If requested by us, you must submit annually for our prior consent your marketing plan and budget with respect to kinds and amounts of advertising and media intended to be used in accordance with the TGI Fridays Local Store Marketing guidelines (see Exhibit C of the Franchise Agreement) and the Manuals, both of which we may modify from time to time. You must obtain our consent to the marketing plan and budget and any changes to the marketing plan and budget before it may be implemented. You may purchase local advertising and promotion materials from any third party, provided such third party is approved by us. If purchased from a source other than us or our affiliates, these materials shall comply with federal and local laws and regulations and with the guidelines for advertising and promotions promulgated from time to time by we or our designee and shall be submitted to us or our designee at least 30 days prior to first use for its approval, which we may grant or withhold in our sole discretion.

Promotional Programs. We may from time to time develop and administer advertising, marketing and sales promotion programs in which you must participate upon such terms and conditions as established

by us. Such programs are in addition to your APO and may include, but not be limited to, liquor menu and marketing promotions, specialized menu offerings and guest membership programs. All phases of such advertising and promotion, including, without limitation, type, quantity, timing, placement, and choice of media, market areas, promotional programs and advertising agencies, shall be determined by us.

Digital Media and Fridays Websites. We may require you to contribute the Digital Marketing Fee toward the cost of the development and maintenance of Digital Media to be used for advertising, marketing, promotional, technology or other purposes at our option. "Digital Media" means one or more related documents, applications, designs, or other communications or forms of media that can be accessed through electronic means, including the Internet, the World Wide Web, the Fridays Websites or other websites, social networking sites like Facebook, Twitter, TikTok, LinkedIn, Instagram, Snapchat, YouTube, blogs, vlogs, and other applications, and any online equivalent (collectively, "Social Media").

We may also establish and maintain one or more websites and/or mobile applications (collectively the "Fridays Websites") that provide information about the System and the products and services offered and sold by Fridays Restaurants. The Fridays Websites may also offer reservations, online and mobile ordering, mobile payments or similar services or sales of items bearing the Proprietary Marks, including our memorabilia, clothing and pre-packaged food and beverage products. We have absolute control over the Fridays Websites' design and content. We will attempt to configure the sites to accommodate individual Fridays Restaurant pages. We have no obligation to maintain the Fridays Websites indefinitely but may discontinue them at any time without liability to you. The Fridays Websites may include a series of interior pages developed by us (and using content provided by you that we request) that identify participating Fridays Restaurants by address, telephone number, and e-mail address. At your request, we will endeavor (technology permitting) to include on the Fridays Websites one or a series of interior pages devoted to information about the Restaurant. You will not have the capability to modify those page(s) except in coordination with us and in compliance with our policies and procedures as they may change from time to time. We will include your Restaurant location in the Fridays Websites free of charge, subject to your compliance with the Franchise Agreement.

You may advertise and promote the Restaurant via Social Media using the Proprietary Marks, subject to our specifications (collectively, "Franchisee's Social Media"). All use of Franchisee's Social Media pages and communication channels and uses must be established in accordance, and at all times be in compliance, with the Manuals and System Standards.

Customer Loyalty Program

We or our designee manage a Loyalty Program in which you are required to participate. Our current approved vendor is Punchh and presently, your cost to participate in the program is covered by the National Advertising Fund. Franchisees may be required to pay for the Loyalty Program directly in the future. To run the program for hosting and processing of the loyalty data, the necessary software must be installed in your Restaurant using the Franchisor-supported version of hardware and software. You are responsible for ordering, installation, maintenance and payment of the internet service. You must execute the TGI Fridays Loyalty Program Agreement which is attached as an exhibit to the Franchise Agreement. (Franchise Agreement Exhibit H).

Information Technology

Due to the integration of proprietary and non-proprietary system components, we and/or our designee pre-configure, package and sell to you the hardware and software for the back office system, point

of sale system, kitchen management system, network and Guest Internet, learning management systems, integrated loyalty program processing, integrated credit card processing, and integrated gift card processing for the Restaurant.

We or our designee charge you the actual costs of the components of the computer system including taxes and freight charges. The estimated cost for the initial systems is \$73,500 to \$91,000. Except as noted below, we, our affiliate and third parties have no obligation to provide any ongoing maintenance, repairs, upgrades, or updates to the systems. You must update and upgrade the systems as and when we require and there are no contractual limitations on the timing or costs of these updates and upgrades. The annual cost for all optional and required maintenance and support contracts is \$14,500 to \$18,500. The cost to replace the systems would be \$62,500 to \$73,500.

Under the terms of your Franchise Agreement, we are permitted to have unlimited access to financial and other data stored in your back office computer system. (Franchise Agreement, Section 13.J). We have access to system information for supported franchise locations. We may at some point in the future, view or store this information and data.

Software Licensing

All software is licensed to you on a per Restaurant basis. You have no ownership interest in the software. You may not transfer the software license to another Restaurant without our prior written approval.

Back Office System

Currently, TGIF Inc. is the designated reseller for the non-proprietary hardware and software used in the back office system. We have the rights to certain proprietary software used in the back office computer system. The software programs are used for reporting and communications between your computers and point of sale units. The hardware and software configuration and supplier may be frequently subject to change due to technological advances.

TGIF Inc. currently installs third party hosted solutions for back office accounting functions (NCR Back Office). The back office software performs enhanced restaurant accounting, operations and scheduling functions. You pay an approved vendor (currently, NCR) a monthly fee of \$140 for NCR Back Office. The back office computer collects sales and labor information from the point of sale system on a daily basis and provides daily, weekly, and monthly sales and labor information, as well as inventory, scheduling, accounts payable and other information. You may also be required to pay NCR a one-time integration fee associated with integration to your corporate system based on your specific needs.

We currently use a third party solution for online operational checklists and manager log books. You pay an approved vendor (currently, Coinspect) \$480 to \$600 annually for this service, depending on the payment plan you choose: either (a) a lump sum payment of \$480, paid in advance for 12 months, or (b) a month-to-month plan for \$50 per month. You must also pay the vendor an implementation fee of \$100.

Labor Scheduling

We recommend that you use HotSchedules as a scheduling software to assist in tracking your employees' work schedules and shifts. The cost for this is \$105 per month and is paid directly to the vendor by franchisees.

Point of Sale System

The point of sale system, Oracle MICROS Symphony, is comprised of hardware and software. All software is site-licensed by Oracle. The point of sale system is used to ring up orders, integrate with third party delivery providers, send orders to the kitchen management system, provide printed guest checks, and provide sales information, sales reports and labor reports to employees and managers. You will pay to Oracle an annual SaaS hosting fee based on the number of point of sale terminals in the Restaurant. The annual SaaS hosting fee is approximately \$450 per point of sale terminal and approximately \$100 for the Oracle MICROS Symphony Credit Card Interface (software maintenance).

Kitchen Management System

The kitchen management system, ConnectSmart by QSR Automations, is software designed to display food orders to each station where food is prepared, track ticket times, alert employees and managers to potential long-time checks and provide accurate quote times back to third party delivery providers. You must pay the vendor a quarterly fee, billed in advance, of \$110 per month for the Restaurant, which covers up to 7 kitchen stations. You must pay the vendor an additional \$15 per month for each additional kitchen station.

Network and Guest Internet

The Network is specifically designed to provide automated failover and redundancy in the event of a hardware failure as well as Guest Internet services. We require you to have two internet circuits to service the Restaurant for enabling this automated failover and redundancy at the Restaurant. You will work with an approved vendor (currently, Windstream) to qualify and source the internet circuits. The current hardware required to be installed also serves to satisfy various PCI requirements. You must lease the equipment from Windstream and enter into a service agreement for network monitoring and management, internet circuits, hardware maintenance and VOIP phones. The monthly fees paid to Windstream will vary by location and scope of services, but we estimate the minimum fees you will pay to Windstream to lease the equipment will be between \$475 and \$875 per month.

Learning Management System

The learning management system is designed to deliver Team Member training. When you sign the Franchise Agreement, we will provide you with a hardware recommendation so that you can evaluate and choose the appropriate equipment you need to provide Team Member training via the learning management system. You are required to obtain the hardware, or ensure your employees have the necessary personal hardware, at your own expense. The cost may vary based on state laws governing the use of personal devices for company business, but we estimate that it will range from \$0 (if your employees already have the necessary hardware) to \$1,000, which is included in the estimated cost for the computer system of \$73,500 to \$91,000.

Telephone System

The required telephone system consists of 3 VOIP phones and is included in the initial computer systems estimate. The equipment will be provided by Windstream. If you require more than 3 phones, the network provider will add them to your agreement at additional cost. The estimate does not include the individual POTS lines for services, such as fire, emergency services, security, and cash safes. You will need to obtain those services from a local provider based on your city's requirements for a POTS line.

Installation

Human resource costs may vary depending on the technology being installed which may or may not include on-site configuration and installation for the point of sale, back office, network & guest internet, learning management and kitchen management computer systems. Travel costs will be billed at actual expenses. Payment for system installation and associated travel expenses is included in the pre-payment amount and is due 60 days in advance of installation.

Hardware Maintenance

We recommend that you purchase hardware maintenance coverage for the computer systems installed at the Restaurant through our then contracted provider(s) the cost of which is approximately \$1,800 annually. The provider has agreed to bill you directly. Rates may vary based on, among other things, the zone coverage, number of line monitors and number of point of sale devices. Upon your execution of an appropriate contractual addendum, the provider will extend our contracted rates to you. If you decline the purchase of the hardware maintenance coverage or you are declined hardware maintenance services due to non-payment, you will be responsible for paying all invoices for service calls and repairs at the then current rates offered by the provider.

For I.T. Service and Support (help desk services; point of sale services, including menu management; communications and reporting; information security services; and IT equipment purchasing, invoicing and research, and O365 licensing with secure email gateway), you must pay us or our designee \$1,260 per Restaurant, billed in advance on a quarterly basis. We may increase the I.T. Service and Support fee and change the fee structure as new services, platforms and technologies are added. We also may bill you at the then current hourly rates for time spent troubleshooting hardware that is not covered by a maintenance program provided by our recommended maintenance providers.

If you lose maintenance coverage due to non-payment and reinstate the coverage the following will occur:

- Site Inspection will be required at normal hourly rates (a two hour minimum will be invoiced to you)
- Any equipment deemed not in proper working order will require repair at prevailing rates plus parts costs prior to adding the location onto maintenance.

New server warranties are automatically upgraded to provide on-site hardware support (rather than depot support) to minimize disruption to operations. Warranty services are provided when you execute a maintenance agreement on the equipment prior to installation. Some components are purposely not covered under a maintenance agreement because the cost of replacement is less than the annual cost to cover such components under maintenance. We may make modifications to covered components.

Point of Sale Maintenance

Menu Maintenance and point of sale database functionality changes are included in the quarterly I.T. Service and Support Fee you pay us as long as the request does not deviate from our "corporate standard" database design. If a special request is made to change the database design, we may deny the request or perform the request at the then current hourly rates with a signed purchase order. Additionally, we may charge a fee for this service in the future.

Reservation and Table Management System

We may require you to use a reservation system we designate that is designed to manage reservations, guest seating and waitlists, including communication with guests who are waiting for a table. We currently require you to use the Yelp Waitlist, although we may designate a new reservation system that we require you to use in the future. The cost for Yelp Waitlist is approximately \$25 per month paid quarterly and is paid by the National Advertising Fund, though we may require that franchisees pay for the required reservation system in the future. You must, at your own cost, either purchase an iPad (approximately \$350-\$450, which cost is included in the estimated cost for the computer system of \$73,500 to \$91,000) or lease an iPad (\$21 per month) to use the Yelp Waitlist. The fees for the iPad lease are paid to us.

Fridays Websites Orders

In order for customers of your Restaurant to order take out for delivery via the Fridays Websites, you are required to pay Olo, a third party that operates an on-demand delivery platform, (i) a variable transaction fee that averages \$0.16 per order that is not placed through Olo's Dispatch platform (the "Variable Fee") and (ii) \$7.00 per order that is placed through Olo's Dispatch platform (the "Dispatch Fee"). The National Advertising Fund currently offsets the Variable Fees you pay by showing them as credits on your monthly National Advertising Fund contribution invoice. We, in consultation with FMAC, will determine what portion, if any, of the Dispatch Fees you may pass on to customers who order via the Fridays Websites.

You must also pay an approved vendor a fee of \$0.0055 per order on the Fridays Websites for payment processing and added security validation required for e-commerce transactions.

We may change vendors for payment processing and added security validation for e-commerce transactions and for credit card tokenization services in the future and you will be required to migrate to these new vendors and pay any associated costs and expenses of obtaining these services from them. We also may recommend or require that you, at your cost and expense, obtain additional fraud prevention services in the future. These costs and expenses may be collected directly by the vendors or we may collect them on behalf of, and remit them to, the vendors.

Credit Card Processing Fees (In Store)

All franchisees must install our EMV P2PE Solution for PCI Compliance through our preferred supplier, Eigen, which we anticipate having a monthly average cost of \$200 to \$500 as well as a one-time installation fee of \$399.00.

Mobile Device Management (MDM)

We use a third party solution to manage the mobile device used in your Restaurant's operation. The MDM software allows for remote monitoring and deployment to the mobile device. There is a \$65 one-time payment for each new or replacement mobile device followed by an annual support fee of \$27 for each mobile device. The fees are paid to us or our designee, and we pass the entire payment directly to an approved vendor.

ITEM 12 **TERRITORY**

Under the Development Agreement and the Franchise Agreement, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own or from other channels of distribution or competitive brands that we control.

Development Agreement

The Development Agreement gives you the right to establish an agreed upon number of Fridays Restaurants in a specified geographic area, subject to certain excluded areas described below ("Territory"). We describe your Territory by boundary streets, highways, counties, states or other recognizable demarcations. A description of the Territory will be attached as an exhibit to your Development Agreement.

The System (including the products sold under the Proprietary Marks) has been developed, and is designed, to function effectively in a wide variety of retail environments, many of which are not practically available to you. Accordingly, we reserve to ourselves and our affiliates the rights to: (1) operate, and license others to operate, delivery and mobile kitchens and restaurants identified in whole or in part by the name and mark "Fridays" and/or utilizing the System in the Territory that are located in airports, train stations, bus stations, service plazas, stadiums, arenas, convention centers, military facilities, schools, colleges, universities, hospitals, recreational theme parks, business or industrial foodservice venues, venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider, Indian reservations, casinos or any similar captive market location; (2) award national or regional licenses to third parties to sell products under the name and mark "Fridays" in foodservice facilities primarily identified by the third party's trademark; (3) develop and operate, and license others to develop and operate, restaurants other than restaurants identified in whole or in part by the name and mark "Fridays" and/or utilizing the System in the Territory; (4) merchandise and distribute products identified by some or all of the Proprietary Marks in the Territory through any other method or channel of distribution; (5) sell and distribute products identified by some or all of the Proprietary Marks in the Territory to restaurants other than restaurants identified in whole or in part by the name and mark "Fridays," provided those restaurants are not licensed to use the Proprietary Marks in connection with their retail sales; and (6) purchase, be purchased by, merge with or combine with businesses that directly or indirectly compete with Fridays Restaurants.

Except as reserved in the preceding paragraph, we will not, during the term of the Development Agreement, operate, or license others to operate, restaurants identified in whole or in part by the name and mark "Fridays" in the Territory, provided that you and your affiliates are in compliance with the terms of the Development Agreement and any other agreements with us or our affiliates and you are current on all obligations due to us and our affiliates. Nothing in the Development Agreement prohibits us and/or our affiliates from: (1) operating, and licensing others to operate, during the term of the Development Agreement, restaurants identified in whole or in part by the name and mark "Fridays" at any location outside of the Territory; (2) operating, and licensing others to operate, after the term of the Development Agreement, restaurants identified in whole or in part by the name and mark "Fridays" at any location; and (3) operating, and licensing others to operate, at any location, during or after the term of the Development Agreement, any type of restaurant other than a restaurant identified in whole or in part by the name and mark "Fridays."

If you are in default under the Development Agreement (which may include, but is not limited to, a default for failing to comply with the Development Schedule) or any Franchise Agreement, we may

terminate the Development Agreement or the limited exclusivity in the Territory, or we may reduce the size of your Territory. Except as stated in the prior sentence, there are no minimum sales quotas or other conditions that must be met in order to maintain your exclusivity in the Territory. You do not receive the right under the Development Agreement to develop or operate any Restaurants in addition to the number specified in the Development Schedule.








Franchise Agreement

The Franchise Agreement does not give you any exclusive rights to use the System or the Proprietary Marks in any geographic area. Nothing in the Franchise Agreement prohibits us from, among other things: (1) operating or licensing others to operate at any location, during or after the term of the Franchise Agreement, any delivery or mobile kitchen or any type of restaurant other than Fridays Restaurants; (2) operating or licensing others to operate, during the term of the Franchise Agreement, Fridays Restaurants at any location other than your Restaurant premises; (3) operating or licensing others to operate, after the Franchise Agreement terminates or expires, Fridays Restaurants at any location, including your Restaurant premises; (4) merchandising and distributing goods and services identified by some or all of the Proprietary Marks through any other method or channel of distribution; and (5) purchasing, being purchased by, merging with or combining with businesses that directly or indirectly compete with Fridays Restaurants. We reserve to ourselves and our affiliates all rights to use and license the System and the Proprietary Marks other than those expressly granted under the Franchise Agreement.

You may be required to participate in our delivery and/or takeout programs. No territories are provided in connection with our current delivery programs. You are not guaranteed a particular or exclusive delivery territory, and, should we designate a territory, it will only be on a non-exclusive basis.

You may not relocate the Restaurant without our express written consent. We may grant our consent to your request if you: (1) are in compliance with the terms of the Franchise Agreement and the terms of any related or successor agreement; (2) meet all of our then-current financial, operational and other requirements and qualifications for the right to develop and expand within the System; (3) open the Restaurant at a location selected and accepted in accordance with site selection criteria specified by us within 270 days from the approval of the transfer; (4) pay a non-refundable relocation review fee in the amount of \$5,000, which fee shall be due and payable when you submit the relocation request; and (5) pay a monthly royalty fee during the period when the Restaurant is closed equal to the average monthly royalty fee owed during the 12 months preceding the closure. Our decision as to whether to consent to your relocation request may be based, among other things, upon our conclusion of the effect relocation may have on other Fridays Restaurants in the general area of the proposed new location. We may inspect your proposed new location if we wish.

Neither the Franchise Agreement nor the Development Agreement prohibits us or our affiliates from developing and establishing other restaurant systems for the same, similar or different products or services under the same or different trade names or trademarks, or from granting franchises for restaurants using such systems. TGIF Inc. currently owns and operates Fridays Restaurants under franchise agreements with us. Additionally, through common control with or common management by TriArtisan, we are affiliates with PFC, which licenses third parties the right to operate P.F. Chang's restaurants at non-traditional locations, and PFCH, which offers licensees and franchisees the right to develop and operate P.F. Chang's restaurants in countries outside of the United States. P.F. Chang's restaurants serve made-to-order, Asian inspired food in upscale casual atmospheres, available for eat-in dining, pick-up and off-site catering services. TriArtisan may in the future invest in other companies that offer franchises. The above-mentioned restaurant or other businesses or restaurants owned, operated, or franchised by us or our affiliates may be

TRADEMARK	REGISTRATION DATE	U.S. TRADEMARK REGISTRATION NUMBER
FRIDAY'S	1/29/1974	0,977,903
	2/3/2015	4,681,669
FRIDAY'S REWARDS	10/3/2017	5,303,057
IN HERE, IT'S ALWAYS FRIDAY	12/16/1997	2,120,962
T.G.I. FRIDAY'S	12/14/1971	925,656
	6/27/1995	1,902,042
	6/21/2005	2,963,202
TGI FRIDAYS	11/23/1999	2,294,717
	6/22/1993	1,778,205
	6/3/2014	4,544,761
	10/31/2017	5,325,164
APPS ALL AROUND	4/5/2022	6695624
CONVICTION CHICKEN	4/5/2022	6695517
	4/5/2022	6695543
FAMOUS AT FRIDAYS	8/23/2022	6828400

located and/or may solicit sales and accept orders in your Territory. We have no established procedure for resolving conflicts that may develop between our restaurant franchisees in our restaurant systems.

We, and our affiliates, are free to use the trademarks, trade names and service marks in connection with the sale of products and services, which are similar to those you offer, through retail sales in grocery

stores, clothing stores, and any commercial retail or wholesale outlet or via the internet. No compensation is due to any franchisee based upon these sales.

Neither the Development Agreement nor the Franchise Agreement grant the franchisee any options, rights of first refusal or similar rights to acquire any additional franchises.

ITEM 13
TRADEMARKS

The Development Agreement does not grant you any right to use the Proprietary Marks. Under the Franchise Agreement, we grant you a license to operate the Restaurant under the names "Fridays™" or "TGI Fridays™," and to use our other current and future Proprietary Marks.

As part of the Securitization Transaction, TGIF Inc. transferred ownership of the Proprietary Marks and other intellectual property related to the operation of Fridays Restaurants to us.

The following principal Proprietary Marks are registered with the Principal Register of the U.S. Patent and Trademark Office. The registered marks have been renewed on a timely basis and all appropriate Affidavits (Sections 8 and/or 15) have been filed. The Proprietary Marks for which Affidavits have been filed become "incontestable" as defined by federal law.

The following principal Proprietary Mark is filed with the Principal Register of the U.S. Patent and Trademark Office:

TRADEMARK	FILING DATE	U.S. TRADEMARK APPLICATION NUMBER
THAT FRIDAYS FEELING	8/14/2020	90114271

There is at present no effective material determination of the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or any pending infringement, opposition, or cancellation proceeding, or any pending material litigation involving the Proprietary Marks which is relevant to our ownership, use or licensing.

We do not have a federal registration for one of our principal Proprietary Marks. Therefore, that principal Proprietary Mark does not have many legal benefits and rights as a federally registered trademark. If our right to use that principal Proprietary Mark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

Except for the Retained Rights in the Core Area (See Item 1), we know of no superior prior rights or infringing use that could materially affect your use of the Proprietary Marks and of no agreements currently in effect which significantly limit our rights to use or license the use of the Proprietary Marks in any manner material to the franchise.

You may not use the Proprietary Marks or any variations of the Proprietary Marks or marks or names confusingly similar to the Proprietary Marks in any manner not authorized by us in writing. Among other things, you cannot use the Proprietary Marks as part of any URL, domain name, website, social media username, profile name, or handle, meta-tag, download, application, posting, directory listing, screen name,

anonymous name, blog, vlog, e-mail account, instant messaging account, texting identity, user generated content, or any other identification of you or your Restaurant in any electronic medium.

We are not obligated to protect your rights to use the Proprietary Marks or to protect you against claims of infringement or unfair competition. However, you must immediately notify us of any infringement of the Proprietary Marks or of any challenge to the use of any of the Proprietary Marks or claim by any person of any rights in any of the Proprietary Marks. You and your Principals must agree not to communicate with any person other than us and our counsel about any such infringement, challenge or claim. We have sole discretion to take any action we deem appropriate and the right to exclusively control any litigation, or Patent and Trademark Office (or other) proceeding, arising out of any infringement, challenge or claim concerning any of the Proprietary Marks. You must execute all instruments and documents and give us any assistance that in our counsel's opinion may be necessary or advisable to protect and maintain our interests in any such litigation or proceeding or to otherwise protect and maintain our interest in the Proprietary Marks. However, you are not required to indemnify us with regard to any infringement, alleged infringement or other violation or alleged violation by you or any Principal of any patent, mark, or copyright or other proprietary right owned or controlled by a third party, to the extent that such action arises in connection with your use of the Proprietary Marks and System in the manner authorized and required by us. IN THE EVENT YOU ARE INVOLVED IN SUCH AN ACTION, WE AGREE TO INDEMNIFY YOU AND YOUR PRINCIPALS IN CONNECTION WITH THE DEFENSE THEREOF, BUT IN NO EVENT SHALL OUR INDEMNITY OBLIGATIONS TO YOU EXCEED AN AMOUNT EQUAL TO THE AVERAGE ROYALTIES WE HAVE RECEIVED UNDER THE FRANCHISE AGREEMENT FOR A ONE-YEAR PERIOD.

You may not use any of the Proprietary Marks as part of your corporate, fictitious, DBA, or other name. You must also follow our instructions for identifying yourself as a franchisee and for filing and maintaining the requisite trade name or fictitious name registrations. You must execute any documents we or our counsel determine are necessary to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability. Neither you nor your Principals may contest our ownership of the Proprietary Marks, or their validity, or apply for, register, attempt to or obtain control of, or interfere with our efforts to register or obtain ownership of any trademark, service mark, or identifying name anywhere in the world.

We may substitute different trade names, service marks, trademarks, and indicia of origin for the Proprietary Marks for use in identifying the System if we determine, in our sole discretion, that the substitution is reasonable and/or necessary.

ITEM 14 **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

We do not own, or have any licenses for, any patents that are material to the franchise. We have no pending patent applications.

We do own and claim copyright protection in certain literary and artistic works, including our marketing materials, menus, Manuals, our standard building plans, blue prints and specifications, which are material to the franchise. We also claim copyright protection and proprietary rights in the knowledge, systems and procedures of our business method as found in: our recipes, bulletins, correspondence and communications with our franchisees, and training materials. You must observe our reasonable requirements for copyright notices in the Manuals or in our other writings.

There is at present no effective determination of the Copyright Office (Library of Congress) or any court affecting our copyrights. There is no current effective agreement which limits our right to use and/or license the copyrights. We are not obligated by the Franchise Agreement, or otherwise, to protect any rights you have to use the copyright. We have no actual knowledge of any infringements that could materially affect the ownership, use or licensing of the copyrights.

We communicate this information to you confidentially and treat it as trade secrets in our Agreement. You and your Principals must agree not to communicate, divulge or use our confidential information except as permitted by the Agreement or required by law. You must also help us protect the confidentiality of our confidential information to the maximum extent permitted by law. You may give this confidential information only to those of your employees and others who must have access to it to perform their duties. Before disclosing any confidential information to them, you must require these persons to execute confidentiality agreements that are satisfactory to us and must see that they comply with those agreements. You must also indemnify us and other named parties from any damages, costs, or expenses we or they may suffer from the disclosure or use of our confidential information by those persons to whom you have disclosed the confidential information.

If you develop what we determine are improvements to the confidential information, you must execute the agreements we believe are necessary to give exclusive ownership of the improvement to us, without compensation.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION
OF THE FRANCHISE BUSINESS

You must devote the requisite time, energy, and best efforts to meet your obligations under the Agreements. Although we emphasize previous restaurant experience in considering prospective franchisees, we do not require you to participate personally in the development or operation of the Restaurant, except that your Representative (who must own at least a 20% equity interest in you) must be fully authorized to act on your behalf in all dealings with us.

If you sign a Development Agreement, you must designate one of your Principal Owners to serve as your "Development Principal" who will have full control over the day-to-day development of your Restaurants. The Development Principal must: (1) own at least a 5% equity interest in you (unless you were a publicly-held entity or a wholly-owned subsidiary of a publicly-held entity as of the date of the first franchise-related agreement between you and us); (2) personally guarantee your obligations under the Development Agreement; (3) be a person acceptable to us; (4) devote substantial and adequate time and reasonable efforts to supervising the development of your Restaurants and shall not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility; (5) maintain a primary residence within a reasonable driving distance of the Territory; and (6) successfully complete the then current restaurant management training course including without limitation, all course materials, activities, methods, processes, prerequisites and testing, as such may change from time to time in our sole discretion. You must designate a replacement for the Development Principal within 30 days after your Development Principal leaves the position.

For each of your Restaurants, you must designate one of your Principal Owners to serve as the "Operating Principal" of your Restaurant who will have full control over the day-to-day activities of the Restaurant, including control over the standards of operation and financial performance. The Operating Principal must: (1) own at least a 5% equity interest in you (unless you were a publicly-held entity or a wholly-owned subsidiary of a publicly-held entity as of the date of the first franchise-related agreement

between you and us); (2) personally guarantee your obligations under the Franchise Agreement; (3) be a person acceptable to us; (4) devote full-time and reasonable efforts to supervising the operation of the Restaurant and shall not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility; (5) maintain his primary residence within a reasonable driving distance of the Restaurant; and (6) successfully complete the then current restaurant management training course including without limitation, all course materials, activities, methods, processes, prerequisites and testing, as such may change from time to time in our sole discretion. You must designate a replacement for the Operating Principal within 30 days after your Operating Principal leaves the position.

If you establish three or more Restaurants, you must also designate a Multi-Unit Manager to devote full-time and reasonable efforts to supervising the operation of your Restaurants. Your Multi-Unit Manager must successfully complete the Management Training Program (see Item 11) and any additional training that we require. We must approve your Multi-Unit Manager and he or she should maintain a primary residence within a reasonable driving distance of the Restaurants. Your Multi-Unit Manager must sign a Non-Disclosure and Non-Competition Agreement (see Exhibit G to the Franchise Agreement). You must designate another qualified person to act as Multi-Unit Manager within 30 days after the date your Multi-Unit Manager leaves the position.

Your Principal Owners (including your Representative), the Operating Principal or Development Principal, your officers and your directors (and each person's spouse) must sign a Guaranty and Assumption of Obligations (Exhibit F of the Franchise Agreement and Exhibit D of the Development Agreement) making all of the representations, warranties, covenants and agreements you make under the Agreements (including agreements to make the required payments and covenants against competition and the disclosure of confidential information) and jointly and severally, irrevocably and unconditionally, guarantee that all your obligations under the Agreements will be timely paid and performed. In addition, your Multi-Unit Managers, Project Manager, any owner who is not a Principal Owner, and Restaurant managers must execute covenants regarding conflicts of interest, including in-term covenants not to compete and other covenants that apply on the termination of the person's relationship with you, as well as covenants concerning the confidentiality of information they receive as a result of their employment. These covenants are in the form of Exhibit G to the Franchise Agreement and Exhibit E to the Development Agreement and, where applicable, identify us as a third party beneficiary with the independent right of enforcement. Even if these covenants are signed, you must indemnify us and other named parties from any damages, costs, or expenses we or they may suffer from the disclosure or use of our confidential information by those persons to whom you have disclosed the confidential information. (See Items 6, 9, and 14).

ITEM 16 **RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must use the Franchised Restaurant solely for the operation of a Fridays Restaurant. You must maintain sufficient inventories, adequately staff each shift with qualified employees and continuously operate the Restaurant at its maximum capacity and efficiency for the minimum number of days and hours that we specify in the Manuals or otherwise in writing.

You must meet and maintain the highest applicable health standard and rating. You must operate the Restaurant in strict conformity with the methods, standards and specifications that we prescribe in the Manuals or otherwise in writing.

You must offer for sale and sell at the Restaurant all and only those products and services as are expressly authorized by us in the Manuals or otherwise in writing. We may restrict sales of menu items to

certain time periods during the day. We have the right to change the menu items, ingredients, products, materials, supplies and paper goods or the standards and specifications of each, and there are no limits on our ability to do so. You must promptly comply with the new requirements. We do not limit the customers to whom you may sell goods or services.

Without our prior written consent and then only under our guidelines in the Manuals or otherwise, you must refrain from: (1) offering for sale any tickets, subscriptions or chances; (2) conducting any pools, raffles or related activities; (3) installing or using any juke box, vending or game machine, gum machine, game, ride, gambling or lottery device, coin or token operated machine, or any other music, film or video device; (4) using or allowing any gaming, dancing or live entertainment; or (5) using or providing any form of delivery service or catering at, from or on the Restaurant premises. You must obtain all necessary copyrights licenses to authorize the playing of recorded music in the Restaurant, and change the recorded music used in the Restaurant if we direct you to do so in the Manuals or otherwise in writing.

You must comply with our Local Store Marketing guidelines including our restrictions on the media in which your Local Store Marketing may be placed. See Item 11.

See Items 8 and 9 for more specific information on restrictions covering what you may sell.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

These tables list certain important provisions of the Development and Franchise Agreements and related agreements. You should read these provisions in the Agreements attached to this Disclosure Document.

THE FRANCHISE RELATIONSHIP

Development Agreement

	Provision	Section In Development Agreement	Summary
a.	Length of term of the development term	1.A	The Development Term is from the date of execution of the Development Agreement to the date the last Restaurant is required to be opened according to the Development Schedule.
b.	Renewal or extension of the term	Not Applicable	
c.	Requirements for you to renew or extend	Not Applicable	
d.	Termination by you	Not Applicable	
e.	Termination by franchisor without cause	Not Applicable	
f.	Termination by franchisor with cause	13	The Development Agreement will automatically terminate without an opportunity to cure or

	Provision	Section In Development Agreement	Summary
			notice to you for certain non-curable defaults. If you fail to comply with any provision of the Development Agreement or upon the occurrence of (i) any event of default giving rise to our right to terminate the Franchise Agreement upon notice to you, or (ii) any event of default under Item 17.g below which, following notice, is not timely cured, we may elect, in our sole discretion and upon written notice to you, to do any or all of the following without terminating the Development Agreement until we confirm in writing that the default has been cured: (1) terminate the limited exclusivity of the Territory and/or (2) reduce the size of the Territory.
g.	"Cause" defined – curable defaults	13.C	You have 30 days to cure defaults other than those discussed in Item 17.h below.
h.	"Cause" defined – non-curable defaults	13.A, 13.B	Non-curable defaults include: insolvency; bankruptcy appointment of a receiver, creditors' proceedings; unsatisfied judgments; your entity is dissolved; execution is levied against your property; you fail to comply with the Development Schedule; commencement of development, construction or equipping before Franchise Agreement is fully executed and Initial Franchise Fee is paid; material breach of your confidentiality obligations and/or covenants against competition; unauthorized transfer; material misrepresentation; falsification of reports; felony conviction; default beyond cure period under other agreements with us or our affiliates, any real estate, equipment lease or financing instrument relating to a Restaurant or with any vendor or supplier to a Restaurant; material breach of any representation or warranty; default after receipt of two or more notices of default within the previous 12 months; and pay early termination damages.
i.	Your obligations on termination/nonrenewal	14.A	Obligations include: forfeiture of right to develop Restaurants in the Territory; termination of limited exclusive rights in Territory; cease use and return materials to us; continued observance of covenants; payment of amounts due to us; forfeiture of Development Fee; payment of enforcement costs; no operation of business

	Provision	Section In Development Agreement	Summary
			under any name or in any manner that suggests connection to us and our affiliates.
j.	Assignment of contract by franchisor	9	There are no restrictions on our right to assign the Development Agreement, except that our obligations must be fully assumed by the assignee.
k.	"Transfer" by you – definition	10.A	Includes sale, assignment, transfer, conveyance, gift, pledge, mortgage or other encumbrance of any interest in you or the Development Agreement, or any other assets pertaining to your operations under the Development Agreement.
l.	Franchisor approval of Transfer by you	10.A	You must obtain our consent prior to any Transfer. Certain Transfers may be undertaken without our prior approval which is reserved to our sole and absolute discretion and the exercise of such discretion shall not be subject to contest.
m.	Conditions for franchisor's approval of Transfer	Not Applicable	
n.	Franchisor's right of first refusal to acquire your business	Not Applicable	
o.	Franchisor's option to purchase your business	Not Applicable	
p.	Your death or disability	10.C	The interest of you or any equity owner must be transferred within 90 days of your or the equity owner's death or permanent disability to a qualified transferee.
q.	Non-competition covenants during the term of the franchise	12.C	Neither you nor your Principal Owners may have an interest any restaurant business that offers the same or similar products and services as offered by Fridays Restaurants or restaurants in any other concept or system owned, operated, managed or franchised by us or an affiliate, including, without limitation, waiter/waitress service, sit-down dining and bar services.
r.	Non-competition covenants after the franchise is terminated or expires	12.C	No activity as described in Item 17.q above for a continuous two-year period within your Territory, within three miles of its border and within three miles of any then-existing Fridays Restaurant. If you violate the post-termination non-competition provisions, you must pay liquidated damages equal to our then-current Initial Franchise Fee and 8% of the gross sales of

	Provision	Section In Development Agreement	Summary
			the competing business until the expiration of the non-competition period.
s.	Modification of the agreement	18	You and we must agree to all modifications to the Development Agreement in writing, however, we may modify the non-competition covenant (if reduced in area, duration, or scope), in our sole discretion.
t.	Integration/merger clause	18	Only the terms of the Development Agreement, the documents referred to in and the attachments to the Development Agreement are binding. Any other oral or written promises related to the subject matter of the Development Agreement may not be enforceable. Nothing in the Development Agreement is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.
u.	Dispute resolution by arbitration or mediation	Not Applicable	
v.	Choice of forum	20.B	Subject to state law, you may only file suit against us in Dallas County, Texas; we may file suit in Dallas County, Texas, in the jurisdiction where you reside or do business, where the Territory or any Restaurant is or was located or where the claim arose.
w.	Choice of law	20.A	Subject to state law, Texas law applies.

Franchise Agreement

	Provision	Section In Franchise Agreement	Summary
a.	Length of the franchise term	2.A in Franchise Agreement	The Initial Term is for 10 years from the date that you open the Restaurant.
b.	Renewal or extension of the term	2.B in Franchise Agreement	If you meet certain qualifications, you can remain a franchisee for two successor terms of five years each.
c.	Requirements for you to renew or extend	2.B in Franchise Agreement	You must: give timely notice; be in good standing; not be in default under any agreement with us or our affiliates; meet our then-current financial requirements; remodel; satisfy then-current training requirements; have site

	Provision	Section In Franchise Agreement	Summary
			approved for successor term; maintain licenses and permits; sign general release (a copy of the current form of General Release is attached as <u>Exhibit I</u>); sign a new Franchise Agreement with us which may contain terms and conditions substantially different from your current Franchise Agreement, including higher fees and advertising contributions; and pay a successor fee (which does not cover your costs and expenses for remodeling).
d.	Termination by you	Not applicable in Franchise Agreement	Not applicable.
e.	Termination by franchisor without cause	Not applicable in Franchise Agreement	Not applicable.
f.	Termination by franchisor with cause	21 in Franchise Agreement	The Franchise Agreement will automatically terminate without an opportunity to cure or notice to you for certain non-curable defaults. If you fail to comply with any provision of the Franchise Agreement or upon the occurrence of (i) any event of default giving rise to our right to terminate the Franchise Agreement upon notice to you, or (ii) any event of default under Item 17.g below which, following notice, is not timely cured, we may elect, in our sole discretion and upon written notice to you, to do any or all of the following without terminating the Franchise Agreement until we confirm in writing that the default has been cured: (1) temporarily remove information concerning the Restaurant from any Digital Media operated for the network of Fridays Restaurants, and/or restrict your participation in other programs or benefits offered on or through any such Digital Media; (2) temporarily suspend your right to participate in any advertising, marketing, promotional, or public relations programs that we or the National Advertising Fund provide, authorize, or administer; (3) withhold the provision of any services required to be performed by us under the Franchise Agreement

	Provision	Section In Franchise Agreement	Summary
			for a period of time determined by us in our sole discretion; (4) assess a non-compliance fee in the amount of 1% of the Gross Sales of the Restaurant for each month in which that non-compliance has occurred or continued for one or more days, in order to compensate us for damage to the reputation of Fridays Restaurants, the Proprietary Marks and the entire System; and, (5) at your expense, require you, the Operating Principal, the Restaurant's general manager, and/or the kitchen manager to attend and successfully complete the Management Training Program.
g.	"Cause" defined – curable defaults	21.C in Franchise Agreement	You have 10 days to cure monetary defaults. You have 30 days to cure all other defaults except those discussed in Item 17.h below.
h.	"Cause" defined – non-curable defaults	21.A & B in Franchise Agreement	Non-curable defaults include: insolvency; bankruptcy; appointment of a receiver; creditors' proceedings; unsatisfied judgments; your entity is dissolved; execution is levied against your property; failure to obtain site approval within 180 days after execution of the Franchise Agreement (if applicable); failure to begin development, construction and equipping of the Restaurant within six months after site acceptance; failure to obtain or maintain a liquor license; failure to open the Restaurant for business on or before the Opening Deadline; closure of Restaurant for more than three days; understatement of Gross Sales by 1% or more three or more times in any 18 month period or by more than 3% on any one occasion; material breach of covenants; unauthorized transfer; material misrepresentation; falsification of reports; continued operation would endanger the brand or the general public; loss of possession of the Restaurant premises; felony conviction; failure to attend training programs; loss of right to conduct business; default beyond cure period under other agreements with us or our affiliates, any real estate, equipment lease or financing instrument relating to the Restaurant or with any vendor or supplier to the Restaurant; material breach of any representation or warranty; and default after receipt of 2 or more notices of

	Provision	Section In Franchise Agreement	Summary
			default within previous 12 months; and pay early termination damages.
i.	Your obligations on termination/nonrenewal	22 in Franchise Agreement	You must: stop operating the Restaurant under the System, pay amounts owed; cease use of the Manuals and materials; assign phone numbers, business listings and electronic identifies related to the Restaurant to us; continued observance of the covenants; discontinue use of the Proprietary Marks, websites and electronic identifiers; and de-identify the Restaurant.
j.	Assignment of contract by franchisor	17 in Franchise Agreement	There are no restrictions on our right to assign the Franchise Agreement except that our obligations must be fully assumed by the assignee.
k.	"Transfer" by you – definition	18.A in Franchise Agreement	Includes sale, assignment, transfer, conveyance, gift, pledge, mortgage or other encumbrance of any interest in you, the Franchise Agreement, the Franchise, the Restaurant, the assets of the Restaurant, the premises or any other assets pertaining to your operations under the Franchise Agreement.
l.	Franchisor's approval of Transfer by you	18.A & 18.G in Franchise Agreement	You must obtain our consent prior to any Transfer. Certain transfers may be undertaken without our prior approval.
m.	Conditions for franchisor's approval of Transfer	18.B in Franchise Agreement	Conditions include: qualified transferee; reasonable sales price; payment of amounts due; no default under any agreement with us or our affiliates; no default beyond the applicable cure period under any real estate lease, equipment lease or financing instrument relating to the Restaurant or with any vendor or supplier to the Restaurant; signed release (a copy of the current form of General Release is attached as <u>Exhibit D</u>); transferee completes training; renovation of Restaurant; payment of transfer fee in the amount of at least \$5,000 and background investigation fees; and Franchise Agreement signed.
n.	Franchisor's right of first refusal to acquire your business	18.K in Franchise Agreement	We can match any offer for your business.

	Provision	Section In Franchise Agreement	Summary
o.	Franchisor's option to purchase your business	23 in Franchise Agreement	We can purchase some or all of your assets used in the operation of the Restaurant upon expiration or earlier termination of the Franchise Agreement at a price agreed upon or set by appraisers.
p.	Your death or disability	18.H in Franchise Agreement	The interest of you or any equity owner must be transferred within 90 days of your or the equity owner's death or permanent disability to a qualified owner.
q.	Non-competition covenants during the term of the franchise	20.C in Franchise Agreement	Neither you nor your Principals may have an interest any restaurant business that offers the same or similar products and services as offered by Fridays Restaurants or restaurants in any other concept or system owned, operated, managed or franchised by us or an affiliate, including, without limitation, waiter/waitress service, sit-down dining and bar services.
r.	Non-competition covenants after the franchise is terminated or expires	20.C & D in Franchise Agreement	No activity as described in Item 17.q above for a continuous period of two years within three miles of the Restaurant and within three miles of any then-existing Fridays Restaurant. If you violate the post-termination non-competition provisions, you must pay liquidated damages equal to our then-current Initial Franchise Fee and 8% of the gross sales of the competing business until the expiration of the non-competition period.
s.	Modification of the agreement	27 in Franchise Agreement	You and we must agree to all modifications to the Franchise Agreement in writing, however, we may modify the Manuals, the System Standards, the System, or the non-competition covenants (if reduced in area, duration, or scope), any of which we may modify in our sole discretion.
t.	Integration/merger clause	27 in Franchise Agreement	Only the terms of the Franchise Agreement, the documents referred to in and the attachments to the Franchise Agreement are binding. Any other oral or written promises related to the subject matter of the Franchise Agreement may not be enforceable. Nothing in this or in any Franchise Agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

	Provision	Section In Franchise Agreement	Summary
u.	Dispute resolution by arbitration or mediation	Not applicable	Not applicable.
v.	Choice of forum	29.B in Franchise Agreement	Subject to state law, litigation must be in Dallas County, Texas, except that we may file suit in the jurisdiction where you reside or do business, where the Restaurant is or was located or where the claim arose.
w.	Choice of law	29.A in Franchise Agreement	Subject to state law, Texas law applies.
x.	Franchisor's limitation on liability	24.B(3) in Franchise Agreement	Our liability is capped at the aggregate amount of fees you actually paid to us under the Franchise Agreement.

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote the franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to disclose information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about performance at a particular location or under particular circumstances.

**STATEMENT 1 – HISTORIC GROSS SALES FOR
COMPANY-OPERATED FRIDAYS RESTAURANTS**

Statement 1 excludes 6 company-owned Fridays Restaurants, being those: 1) operated at non-traditional locations (e.g., airports and stadiums) and 2) open for less than the full 2023 fiscal year. Different assumptions and results may apply to Fridays Restaurants TGIF Inc. operates at non-traditional locations. See Item 20 for the geographical distribution of all company-operated Fridays Restaurants. Typically, company-operated Fridays Restaurants are located in areas with population densities in excess of 250,000 and in close proximity to regional shopping centers. The location of a Fridays Restaurant (whether company-operated or franchisee-operated) and the demographics of the geographic area can have a material impact on sales and expenses. Franchised Fridays Restaurants operated in areas with population densities less than 250,000 and/or with less favorable demographic profiles are likely to experience lower sales than the average company-operated Fridays Restaurants. All of the company-operated Fridays Restaurants offer

substantially the same products and services to the public that franchised Fridays Restaurants are expected to offer.

Our company-operated Fridays Restaurants use a uniform accounting system and the data pertaining to these Fridays Restaurants was prepared by our in-house accountants on a basis consistent with generally accepted accounting principles during the covered periods. The information contained in Statement 1 reflects historical financial performance information related to the 134 company-owned Fridays Restaurants described below. This information has not been audited.

Gross Sales for 52 weeks ending December 25, 2023						
			Total	Upper	Mid-Level	Lower
			100%	25%	50%	25%
Gross Sales – Average (Note 1)			2,615,440	4,056,256	2,370,740	1,604,560
# of Stores			134	34	68	32
# of Stores Above Average Gross Sales			53	16	29	15
% of Stores Above Average Gross Sales			40%	47%	43%	47%
High Gross Sales			6,478,311	6,478,311	2,972,012	1,900,072
Median Gross Sales			2,325,624	3,957,541	2,318,878	1,596,365
Low Gross Sales			1,161,578	3,000,373	1,917,566	1,161,578

STATEMENT 2 – HISTORIC GROSS SALES FOR FRANCHISED FRIDAYS RESTAURANTS

The table below reflects historical financial performance information related to our current franchised Fridays Restaurants that were in operation for the full 2023 fiscal year. Excluded from the below table are the 13 franchised Fridays Restaurants that closed during 2023, none of which were closed after being open for less than 12 months. The table below also excludes 8 franchised Fridays Restaurants located in non-traditional locations such as airports or amusement parks. The information in Statement 2 was polled by us from information reported by franchisees using our required point-of-sale system or was taken from manual royalty reporting from franchisees. The information is unaudited.

Gross Sales for 52 weeks ending December 25, 2023						
			Total	Upper	Mid-Level	Lower
			100%	25%	50%	25%
Gross Sales – Average (Note 1)			2,582,975	3,895,990	2,422,154	1,547,836
# of Stores			121	31	60	30
# of Stores Above Average Gross Sales			54	12	31	15
% of Stores Above Average Gross Sales			45%	39%	52%	50%
High Gross Sales			5,740,103	5,740,103	2,989,394	1,868,341
Median Gross Sales			2,485,001	3,653,347	2,450,891	1,569,443

Low Gross Sales	786,554	3,053,691	1,876,844	786,544
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Notes to Statement 1 and 2

1. “Gross Sales” has the meaning given to it in the Franchise Agreement, and includes the entire amount of the actual sales price, whether for cash, credit, check or other consideration, of all sales of food, beverages, merchandise, promotional items and services at or from a Fridays Restaurant. “Gross Sales” shall not include: (a) the amount of returns to shippers or manufacturers; (b) the amount of any cash or credit refunds made upon any sale where the food, beverages, merchandise or service sold or some part thereof is thereafter returned by the customer and accepted by the Fridays Restaurant; (c) receipts from sales of furniture, trade fixtures or other extraordinary sales (unless bearing any Proprietary Mark) not made in the ordinary course of business; (d) any sales or value added tax required by any duly constituted taxing authority to be separately accounted for and collected on its behalf by the Fridays Restaurant directly from the Fridays Restaurant’s customers and paid by the Fridays Restaurant to the taxing authority; and (e) meals served to an employee at no cost while the employee is on duty, or the discounted portion of meals served to an employee.

2. Some outlets have earned this amount. Your individual results may differ. There is no assurance that you’ll earn as much.

3. Written substantiation for the financial performance representations will be made available to you upon reasonable request. Please carefully read all of the information in these financial performance representations, and the notes following the charts, in conjunction with your review of the historical data. A new franchisee’s financial results are likely to vary from the results stated in this financial performance representation.

4. You are strongly advised to perform an independent investigation of this opportunity to determine whether or not the franchise may be profitable and to consult your attorney, accountant, and other professional advisors before entering into any agreement with us. You should conduct an independent investigation of the costs and expenses you will incur in operating a franchised Restaurant. Our current and former franchisees may be one source of this information. You should construct your own business plan and pro forma cash flow statement, balance sheet, and statement of operations, and make your own financial projections regarding sales, revenues, costs, customer base, and business development for a franchised Restaurant.

5. Statement 1 and Statement 2 only include sales information for the included Fridays Restaurants, so you should not draw any inferences with respect to any Restaurant’s costs and expenses or profitability because that information is not presented.

6. Actual results vary between Restaurants, and we expect that they will vary from franchisee to franchisee. Your income and expenses will be affected by a variety of factors including the following:

- prevailing economic or market area conditions, demographics, geographic location, interest rates, your capitalization level, the amount and terms of any financing that you may secure, the property values and lease rates, your business and management skills, staff strengths and weaknesses, and the cost and effectiveness of your marketing activities;
- your own operational ability, which may include but is not limited to your experience with managing a business, your capital and financing (including working capital), continual training of you and your staff, customer service at your location and your business plan;

- the location of the franchised Restaurant, site criteria, local household income, population, ease of ingress and egress, traffic counts, parking, the physical condition of the franchised Restaurant, the visibility of the franchised Restaurant, the visibility of your signage, the quality of your staff and having the correct the quantity of staff; and the weather, the season and periodic marketing campaigns you run and those run by your competitors.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections for your future income, you should report it to our management by contacting our President at 19111 North Dallas Parkway, Suite 165, Dallas, Texas 75287, (972) 662-5400, the Federal Trade Commission and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
System wide Outlet Summary
For Years 2021-2023¹

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	168	152	-16
	2022	152	134	-18
	2023	134	129	-5
Company-Owned	2021	161	157	-4
	2022	157	158	+1
	2023	158	140	-18
Total Outlets	2021	329	309	-20
	2022	309	292	-17
	2023	292	269	-23

¹ As noted in Item 1, TGIF Inc. was the franchisor of Fridays Restaurants prior to the closing of the Securitization Transaction. The "Company Owned Outlets" in this Item 20 refer to the Fridays Restaurants operated by TGIF Inc. under franchise agreements with us as part of the Securitization Transaction. All "Franchised Outlets" identified in this Item 20 were operated under agreements with TGIF Inc. and which have been assigned to us at the closing of the Securitization Transaction.

Table 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2021-2023

State	Year	Number of Transfers
Florida	2021	0
	2022	10
	2023	0
Idaho	2021	0
	2022	0
	2023	0
Illinois	2021	0
	2022	0
	2023	1
Indiana	2021	0
	2022	0
	2023	3
Michigan	2021	0
	2022	0
	2023	2
Minnesota	2021	0
	2022	0
	2023	1
Ohio	2021	6
	2022	0
	2023	0
Pennsylvania	2021	1
	2022	0
	2023	0
Total	2021	7
	2022	10
	2023	7

Table 3
Status of Franchised Outlets
For Years 2021-2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Alabama	2021	1	0	0	0	0	0	1
	2022	1	0	1	0	0	0	0
	2023	0	0	0	0	0	0	0
Arkansas	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	1	0	2
	2023	2	0	0	0	0	0	2
California	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Delaware	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Florida	2021	25	0	0	0	0	3	22
	2022	22	0	2	0	0	0	20
	2023	20	0	3	1	0	0	16
Georgia	2021	9	0	0	0	0	0	9
	2022	9	0	0	0	0	0	9
	2023	9	0	2	0	0	0	7
Idaho	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	1	0	0	0	0
Illinois	2021	18	0	0	0	0	2	16
	2022	16	0	1	0	0	0	15
	2023	15	0	0	0	0	0	15
Indiana	2021	9	0	0	0	0	1	8
	2022	8	0	1	0	0	0	7
	2023	7	0	1	0	0	0	6
Kentucky	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Louisiana	2021	2	0	0	0	0	0	2
	2022	2	0	1	0	1	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2023	0	0	0	0	0	0	0
Maryland	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
Massachusetts	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	6	0	0	0	0	6
Michigan	2021	8	0	0	0	0	2	6
	2022	6	0	1	0	0	0	5
	2023	5	0	1	0	0	0	4
Minnesota	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
Mississippi	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	1	0	0
	2023	0	0	0	0	0	0	0
Missouri	2021	4	0	0	0	0	0	4
	2022	4	0	1	0	0	0	3
	2023	3	0	0	0	0	0	3
New	2021	0	0	0	0	0	0	0
Hampshire	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
New Jersey	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
New York	2021	1	0	0	1	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
North Carolina	2021	9	0	0	0	0	0	9
	2022	9	0	2	0	0	0	7
	2023	7	0	0	0	0	0	7
Ohio	2021	14	0	0	0	0	1	13
	2022	13	0	0	0	0	0	13
	2023	13	0	1	0	0	0	12
Oklahoma	2021	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Pennsylvania	2021	14	0	0	0	0	0	14
	2022	14	0	2	0	0	0	12
	2023	12	0	1	0	0	0	11
South Carolina	2021	5	0	0	0	4	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Tennessee	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	2	0	3
	2023	3	0	0	1	0	0	2
Virginia	2021	10	0	0	0	0	1	9
	2022	9	0	1	0	0	0	8
	2023	8	0	1	0	0	0	7
West Virginia	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Wisconsin	2021	3	0	0	0	0	1	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Totals	2021	168	0	0	1	4	11	152
	2022	152	0	13	0	5	0	134
	2023	134	8	11	2	0	0	129

Table 4
Status of Company Owned Outlets
For Years 2021-2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Arkansas	2021	0	0	0	0	0	0
	2022	0	0	1	0	0	1
	2023	1	0	0	0	0	1
California	2021	15	0	0	0	0	15
	2022	15	0	0	0	0	15

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
	2023	15	0	0	0	0	15
Colorado	2021	3	0	0	0	0	3
	2022	3	0	0	1	0	2
	2023	2	0	0	0	0	2
Connecticut	2021	6	0	0	0	0	6
	2022	6	0	0	0	0	6
	2023	6	0	0	1	0	5
Florida	2021	8	0	0	1	0	7
	2022	7	0	0	0	0	7
	2023	7	0	0	1	0	6
Louisiana	2021	0	0	0	0	0	0
	2022	0	0	1	0	0	1
	2023	1	0	0	0	0	1
Maryland	2021	13	0	0	0	0	13
	2022	13	0	0	0	0	13
	2023	13	0	0	0	0	13
Massachusetts	2021	16	0	0	1	0	15
	2022	15	0	0	0	0	15
	2023	15	0	0	2	6	7
Mississippi	2021	0	0	0	0	0	0
	2022	0	0	1	0	0	1
	2023	1	0	0	0	0	1
Nevada	2021	4	0	0	0	0	4
	2022	4	0	0	0	0	4
	2023	4	0	0	0	0	4
New Hampshire	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
	2023	3	0	0	0	2	1
New Jersey	2021	21	0	0	1	0	20
	2022	20	0	0	0	0	20
	2023	20	0	0	1	0	19
New York	2021	33	0	0	1	0	32
	2022	32	1	0	2	0	31
	2023	31	0	0	3	0	28
Pennsylvania	2021	6	0	0	1	0	5

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
	2022	5	0	0	0	0	5
	2023	5	0	0	0	0	5
South Carolina	2021	0	0	4	0	0	4
	2022	4	0	0	0	0	4
	2023	4	0	0	0	0	4
Tennessee	2021	0	0	0	0	0	0
	2022	0	0	2	0	0	2
	2023	2	0	0	0	0	2
Texas	2021	21	0	0	3	0	18
	2022	18	0	0	2	0	16
	2023	16	0	0	1	0	15
Virginia	2021	12	0	0	0	0	12
	2022	12	0	0	0	0	12
	2023	12	0	0	1	0	11
Totals	2021	161	0	4	8	0	157
	2022	157	1	5	5	0	158
	2023	158	0	0	10	8	140

Notes:

(Note 1) All numbers are as of the fiscal year end for the applicable year.

(Note 2) States with no activity are not included in the charts. If multiple events occurred affecting an outlet, the tables show the event that occurred last in time.

(Note 3) The charts do not include ghost kitchens, dark kitchens, cloud kitchens, execution kitchens, preparation kitchens, host kitchens, container kitchens, concession trailers or food trucks that offer and sell menu items that Fridays Restaurants offer and sell because those locations are not substantially similar to Fridays Restaurants.

(Note 4) A number of the franchised Fridays Restaurants that appear in Table 3 above as closures in 2021 closed due to the COVID-19 pandemic.

(Note 5) One of the franchised Fridays Restaurants that appears in Table 3, which is operated in the Pittsburgh, Pennsylvania airport, closed its primary location in the airport in 2023 but continues to operate from its satellite location in the airport. Because it continues to operate from one of its locations in the airport, it is not counted as a closure in Table 3.

(Note 6) The outlet in New York shown in Table 4 as being reacquired by us from a franchisee in 2022 is an outlet that was previously owned and operated by a third-party pursuant to a license agreement.

Table 5
PROJECTED OPENINGS
AS OF DECEMBER 25, 2023

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
All states	0	0	0
Totals	0	0	0

The names, addresses and telephone numbers of all United States franchisees and their outlets as of December 25, 2023, are attached as Exhibit E.

A list of the name, city and state, and the current business telephone number (or if unknown, the last known home telephone number) of every franchisee who has had an outlet terminated, canceled, not renewed by us, or who otherwise voluntarily or involuntarily ceased to do business under their franchise agreement in calendar year 2023, or who has not communicated with us within 10 weeks of the issuance date of the Disclosure Document, is attached as Exhibit F. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

As of the date of this Disclosure Document, we are not offering any existing franchised outlets to prospective franchisees, including those that either have been reacquired by us or are still being operated by current franchisees pending a transfer. In the event that we begin to offer any such outlet, specific information about the outlet will be provided to you in a separate Addendum to this Disclosure Document.

The following independent franchisee organization has asked to be included in this disclosure document:

Independent Franchisee Association, Inc.
Kishan Patel, President
Daniel Halpern, Vice President & Secretary
Tony Grillo, Treasurer
14071 Peyton Drive
Unit 2697
Chino Hills, California 91709

During the last three fiscal years, neither we nor our predecessor has signed confidentiality clauses with current or former franchisees.

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit J are our (i) unaudited interim financial information as of and for the fiscal year-to-date period ended March 25, 2024, and (ii) audited financial statements as of December 25, 2023, and December 26, 2022, and for each of the three fiscal years in the period ended December 25, 2023. As reflected in Item 1, TGIF Inc., will be providing required support and services to franchisees under a management agreement with us. Also attached as Exhibit J are the (i) unaudited interim financial information of TGIF Midco, the ultimate owner of all ownership interests in TGIF, Inc., as of and for the fiscal year-to-date period ended March 25, 2024, and (ii) audited consolidated financial statements of TGIF Midco as of December 25, 2023, and December 26, 2022, and for each of the three fiscal years in the period ended December 25, 2023. These financial statements are being provided for disclosure purposes only. Neither TGIF Inc., nor TGIF Midco are parties to the Franchise Agreement or Development Agreement we sign with franchisees nor do they guarantee our obligations under the Franchise Agreement or Development Agreement we sign with franchisees.

TGIF Funding issued fixed rate notes in the amount of \$375 million as part of the Securitization Transaction. These funds were used, in part, to pay certain outstanding obligations. Various assets have been pledged to secure this indebtedness, including all franchise agreements and other agreements existing as of the closing of the Securitization Transaction. Certain subsidiaries of TGIF Inc. have guaranteed the indebtedness, including us. See the Footnotes to the financial statements in Exhibit J for more information about the Securitization Transaction.

ITEM 22
CONTRACTS

Attached to this Disclosure Document are the following contracts and their attachments:

EXHIBIT A	LETTER OF UNDERSTANDING
EXHIBIT B	DEVELOPMENT AGREEMENT
EXHIBIT C	FRANCHISE AGREEMENT
EXHIBIT G	CONFIDENTIALITY AGREEMENT
EXHIBIT H	SUMMARY OF ACKNOWLEDGMENTS
EXHIBIT I	GENERAL RELEASE
EXHIBIT L	ADDITIONAL DISCLOSURES AND AMENDMENTS REQUIRED BY CERTAIN STATES
EXHIBIT N	GIFT CARD PARTICIPATION AGREEMENT

ITEM 23
RECEIPTS

The last two pages of this Disclosure Document (Attachment C) are duplicate pages acknowledging receipt of this entire document (including the exhibits). Please sign and date both receipt pages as of the date you received this Disclosure Document. Return to us one signed receipt to us keep the other signed receipt along with this Disclosure Document for your records.

EXHIBIT A
LETTER OF UNDERSTANDING

EXHIBIT A

Date

VIA OVERNIGHT COURIER

Franchisee Name
Franchisee Address

**Re: TGI Fridays™ Restaurants
Franchise Development**

Dear _____:

Further to our prior conversations, this letter ("Letter of Understanding") will outline TGI Fridays Franchisor, LLC's ("Franchisor") understanding relating to the proposed development by _____ ("Developer") of _____ () new TGI Fridays™ Restaurants in the Territory. It must be understood that this Letter of Understanding is not intended to bind either party in any way, but simply to set forth the basis upon which Franchisor would be interested in proceeding with further discussions. Franchisor reserves the right to discuss the development and franchising of Restaurants and the System in the Territory with other parties pending execution of formal contracts between Developer and Franchisor.

Basis For Further Discussions:

1. Development: Developer shall enter into a TGI Fridays Restaurant Development Agreement (see standard form previously provided in the Franchise Disclosure Document) ("Development Agreement") for the development of _____ () new TGI Fridays™ Restaurants ("Restaurants") pursuant to the following schedule:

Site Acceptance Date	Franchise Agreement Execution Date	Opening Date	Cumulative Number of Restaurants To Be Open And Operating On The Opening Date

Developer will pay the standard fees described in the Development Agreement and the Franchise Agreements to be executed for each new Restaurant (see standard form of TGI Fridays Restaurant Franchise Agreement previously provided in the Franchise Disclosure Document).

2. Territory: The Restaurants would be established in _____ counties in the state of _____, excluding any TGI FridaysTM Restaurants already located within such territory (the “Territory”), with the exact boundaries of the Territory to be finalized prior to closing subject to any rights previously granted and any rights reserved by Franchisor in the Development Agreement.
3. Contingencies: Any Development Agreement shall be contingent upon the satisfaction of various conditions, including:
 - a.) Developer shall provide Franchisor with such financial information, business and personal guaranties as Franchisor may reasonably require which shall establish that Developer has the financial resources to satisfy its obligations under the Development Agreement and Franchise Agreements.
 - b.) Franchisor shall have been satisfied that Developer has the experience, personnel and know-how to establish and operate the Restaurants in accordance with the standards required by Franchisor.
 - c.) Developer shall pay a nonrefundable background investigation fee to Franchisor in an amount not to exceed \$10,000 per Developer, and each individual equity holder in Developer, who are international candidates and the outcome of such investigations must be acceptable to Franchisor.
 - d.) There shall be executed and delivered such other documents as either party may reasonably require and which are normal and customary for this type of transaction.
4. Earnest Money Deposit: The parties agree that it is in their best interest to consummate the proposed transaction as soon as reasonably practical. For and in consideration of Franchisor’s covenant, Developer shall pay to Franchisor, simultaneously with the execution and return of this Letter of Understanding to Franchisor, an Earnest Money Deposit in the amount of Ten Thousand and No/100 Dollars (\$10,000.00). In the event the Development Agreement is fully executed by _____ (“Execution Deadline”), the Earnest Money Deposit shall be applied against the Development Fee. You acknowledge that the Earnest Money Deposit is non-refundable and will be retained by Franchisor if the Development Agreement is not fully executed by the Execution Deadline. However, if Franchisor unilaterally elects not to franchise the Territory prior to the execution of a signed Development Agreement, then Franchisor will promptly refund the \$10,000.00 Earnest Money Deposit to Developer.
5. Confidentiality: It is understood and agreed that the subject matter of this Letter of Understanding and the proposals contained herein shall be and remain confidential and shall not be disclosed to third parties, except Developer’s attorneys and accountants; provided, however, that Franchisor may disclose the existence, but not the terms, of this Letter of Understanding to any existing franchisee(s) of TGI FridaysTM restaurants in the Territory. No press release or other public disclosure of this Letter of Understanding or the contents thereof shall be made without the prior express approval of Franchisor.

6. No Binding Agreement: This Letter of Understanding will not give rise to any legally binding contractual obligations between the parties except with respect to the provisions of Paragraph 4 and the obligations of confidentiality expressed in Paragraph 5. This Letter of Understanding only expresses the parties' intention to negotiate in good faith the terms and conditions of the Development and Franchise Agreements.

If the foregoing represents Developer's understanding of the principal terms of the proposed transaction, please so indicate by signing and returning a copy of this Letter of Understanding, along with the Earnest Money Deposit, to me on or before _____. Promptly after execution of this Letter of Understanding, Franchisor will prepare and provide to Developer the Development Agreement.

Please do not hesitate to call if you have any questions.

Sincerely,

TGI Fridays Franchisor, LLC

[Name and Title]

AGREED AND ACCEPTED:

By: _____
Name: _____
Title: _____

cc: [Name and Title]

EXHIBIT B
DEVELOPMENT AGREEMENT

**TGI FRIDAYS™ RESTAURANT
DEVELOPMENT AGREEMENT**

Dated: _____, _____

[Developer]/TGIF
DEVELOPMENT AGREEMENT

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- EXHIBIT E: NON-DISCLOSURE AND NON-COMPETITION AGREEMENT

RIDER 1: OCCUPANCY CONTRACT PROVISIONS

TGI FRIDAYS™ RESTAURANT DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT ("Agreement") is made as of _____ ("Effective Date") by and between TGI Fridays Franchisor, LLC, a Delaware limited liability company ("Franchisor"), with its principal place of business located at 19111 North Dallas Parkway, Suite 165, Dallas, Texas 75287, and _____, a _____ formed in _____ ("Developer"), with its principal place of business located at _____.

RECITALS:

As a result of the expenditure of time, skill, effort and money, Franchisor has developed and owns a distinctive system ("**System**") relating to the development, establishment and operation of full-service casual theme restaurants featuring a specialized menu and full bar service operating in buildings that bear Franchisor's interior and exterior trade dress under the name Fridays or related tradenames (collectively, "**Fridays Restaurants**").

The distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design and layout, including specially designed décor, décor, furnishings and color schemes; special recipes, menu items and full service bar; menu formats; uniform standards; procedures and techniques for food and beverage preparation and service; automated management information and control systems for inventory controls, cash controls and sales analysis; technical assistance and training through course instruction and manuals; and advertising and promotional programs. The System and its components may be changed, improved and further developed by Franchisor from time to time.

Franchisor has the exclusive right to use, and permit its franchisees to use, the Proprietary Marks. Franchisor identifies the System by means of certain names and marks (including "TGI Fridays", "Fridays" and other names, marks, logos, insignias, slogans, emblems, symbols and designs (collectively "**Proprietary Marks**"), which Franchisor has designated, or may in the future designate, for use with the System. The Proprietary Marks used to identify the System, including the principal Proprietary Marks, may be modified by Franchisor and/or its affiliates from time to time.

Franchisor continues to develop, use and control the use of these Proprietary Marks in order to identify to the public the source of services and products marketed under the Proprietary Marks and the System and to represent the System's high standards of quality, appearance and service.

Developer desires to be granted the opportunity, subject to the terms and conditions of this Agreement, to develop franchised Fridays Restaurants (collectively "**Restaurant(s)**") within a defined geographic territory.

Developer understands and acknowledges the importance of Franchisor's high standards of quality, cleanliness, appearance, operations and service and the necessity of developing Restaurants in strict conformity with this Agreement and Franchisor's requirements.

Franchisor is willing to grant to Developer the opportunity to develop Restaurants in a defined geographic territory subject to the terms and conditions of this Agreement.

[Developer]/TGIF
DEVELOPMENT AGREEMENT

NOW THEREFORE, in consideration the mutual covenants, agreements and obligations set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. GRANT OF DEVELOPMENT RIGHTS

A. Grant; Territory. Franchisor hereby grants to Developer and Developer accepts the obligation, subject to the terms, conditions, provisions and limitations of this Agreement, the right to develop Restaurants within the geographic area described in attached Exhibit A ("**Territory**") during the Development Term. The Development Term begins on the Effective Date and expires on the date that the last Restaurant is required to be opened pursuant to the Development Schedule in attached Exhibit B. There is no renewal term for this Agreement. Each Restaurant shall be located in the Territory at a specific location approved by Franchisor.

B. Development Rights Only. This Agreement is not a license or a franchise agreement. It does not give Developer the right to operate Fridays Restaurants or use the System. In addition, this Agreement does not give Developer any right to license others to operate Fridays Restaurants or use the System. This Agreement only gives Developer the opportunity to enter into TGI Fridays Franchise Agreements (each a "**Franchise Agreement**") for the operation of Restaurants at locations in the Territory approved by Franchisor. Each Restaurant developed pursuant to this Agreement shall be established and operated only in strict accordance with a separate Franchise Agreement.

C. Principal Owners. Developer acknowledges and agrees that certain provisions of this Agreement apply to those individuals and entities who directly or indirectly hold an equity ownership interest in Developer of 20% or more ("**Principal Owners**"). Developer shall be solely and completely responsible to ensure (and cause) each Principal Owner to comply with the terms of this Agreement. Developer agrees that any violation of the terms of this Agreement by Developer's Principal Owners shall constitute a default of the terms of this Agreement. In addition, each of Developer's Principal Owners must personally guarantee Developer's obligations under this Agreement as set forth in Section 8.F.

2. LIMITED EXCLUSIVE RIGHTS

A. Rights Reserved to Franchisor. The System (including the products sold under the Proprietary Marks) has been developed, and is designed, to function effectively in a wide variety of retail environments, many of which are not practically available to Developer. Accordingly, Franchisor reserves to itself and its affiliates the rights to: (1) operate, and license others to operate, delivery and mobile kitchens and restaurants identified in whole or in part by the name and mark "Fridays" and/or utilizing the System in the Territory that are located in airports, train stations, bus stations, service plazas, stadiums, arenas, convention centers, military facilities, schools, colleges, universities, hospitals, recreational theme parks, business or industrial foodservice venues, venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider, Indian reservations, casinos or any similar captive market location; (2) award national or regional licenses to third parties to sell products under the name and mark "Fridays" in foodservice facilities primarily identified by the third party's trademark; (3) develop and operate, and license others to develop and operate, restaurants other than restaurants identified in whole or in part by the name and mark "Fridays" and/or utilizing the System in the Territory; (4) merchandise and distribute products identified by some or all of the Proprietary Marks in the Territory through any other method or channel of distribution; (5) sell and distribute products identified by some or all of the Proprietary Marks in the Territory to restaurants other than restaurants identified in whole or in part by the name and mark "Fridays," provided those restaurants are

not licensed to use the Proprietary Marks in connection with their retail sales; and (6) purchase, be purchased by, merge with or combine with businesses that directly or indirectly compete with Fridays Restaurants.

B. Limited Exclusivity. Except as reserved in the preceding paragraph, Franchisor will not, during the Development Term, operate, or license others to operate, restaurants identified in whole or in part by the name and mark "Fridays" in the Territory, provided Developer and any corporation, limited liability company or general or limited partnership formed by Developer to develop and operate a Restaurant ("**Affiliated Entity**") is in compliance with the terms of this Agreement and any other agreements with Franchisor or its affiliates and is current on all obligations due Franchisor and its affiliates. This Section 2 does not prohibit Franchisor or its affiliates from: (1) operating, and licensing others to operate, during the Development Term, restaurants identified in whole or in part by the name and mark "Fridays" at any location outside of the Territory; (2) operating, and licensing others to operate, after the Development Term, restaurants identified in whole or in part by the name and mark "Fridays" at any location; and (3) operating, and licensing others to operate, at any location, during or after the Development Term, any type of restaurant other than a restaurant identified in whole or in part by the name and mark "Fridays."

3. DEVELOPMENT SCHEDULE

A. Development Obligations.

(1) During the Development Term, Developer shall develop, open and continuously operate in the Territory the number of Restaurants specified in the Development Schedule in Exhibit B. For each Restaurant to be developed during the Development Term, Developer shall (a) obtain Franchisor's written acceptance of the site by the Site Acceptance Deadline listed in the Development Schedule; (b) sign a Franchise Agreement and pay the Initial Franchise Fee to Franchisor by the Franchise Agreement Deadline listed in the Development Schedule; (c) open the Restaurant by the Opening Deadline listed in the Development Schedule; and (d) have open and operating the number of Restaurants specified by the Development Schedule.

(2) The Development Schedule contains a specific minimum number of Restaurants to be open and operating by Developer within the Territory during certain time periods, and if any Restaurants are temporarily or permanently closed for business (except for authorized holidays or temporarily for major repairs), such closed Restaurants will not be included, while closed, as open and operating in computing such minimum numbers of open and operating Restaurants and in satisfying the deadlines set forth in the Development Schedule.

(3) Strict compliance with the Development Schedule is essential to this Agreement. Any failure by Developer in fulfilling its obligations to comply with the Development Schedule shall constitute a material, non-curable breach of this Agreement permitting Franchisor immediately to terminate this Agreement by giving written notice of termination to Developer. Time is of the essence.

B. Effect of Sale of Restaurant on Developer's Obligations. If, during the Development Term, Developer sells a Restaurant that was developed pursuant to this Agreement, that Restaurant will continue to be counted as a Restaurant for the purpose of meeting Developer's obligations under the Development Schedule, provided that the sale has been approved by Franchisor and only so long as that restaurant continues to be operated pursuant to a franchise agreement with Franchisor or its affiliates.

C. Execution of Franchise Agreements by Affiliated Entities. At Developer's request, Franchisor will permit the Franchise Agreement for any Restaurant in the Territory to be executed by an Affiliated Entity provided all of the following conditions are met: (1) Developer's Principal Owners collectively own at least 51% of the ownership interests in the Affiliated Entity; (2) the Affiliated Entity conducts no business other than the operation of the Restaurant; (3) Developer's Principal Owners all agree to personally, jointly and severally guaranty and assume full and unconditional liability for, and agree to perform all obligations, covenants and agreements contained in the Franchise Agreement; and (4) all owners of the Affiliated Entity possess a good moral character and an acceptable financial and overall general and commercial reputation to benefit the Franchisor brand and goodwill, as determined by Franchisor in its sole discretion, and Developer provides Franchisor all reasonably requested information to permit Franchisor to make such a determination.

4. FEES

A. Development Fee. By no later than the execution of this Agreement, Developer shall pay to Franchisor a development fee in the amount set forth in Exhibit B ("Development Fee"), which shall be an amount equal to \$50,000 multiplied by the number of Restaurants to be opened under the Development Schedule. Developer acknowledges and agrees that the Development Fee is fully earned by Franchisor when paid and it is not refundable.

B. Initial Franchise Fees. When Developer signs the Franchise Agreement for each Restaurant that it develops, Developer shall pay an initial franchise fee to Franchisor in the amount of \$50,000 ("**Initial Franchise Fee**").

C. Interest. If any payments by Developer due to Franchisor are not received by Franchisor by the date due, Developer, in addition to paying the amount owed, shall pay Franchisor interest on the amount owed from the date due until paid at the maximum rate permitted for indebtedness of this nature in the state or states in which the Territory is located, not to exceed 1.5% per month or a portion of a month. Payment of interest by Developer on past due obligations is in addition to all other remedies and rights available to Franchisor pursuant to this Agreement or under applicable law.

D. Partial Payments. No payment by Developer or acceptance by Franchisor of any monies under this Agreement for a lesser amount than due shall be treated as anything other than a partial payment on account. Developer's payment of a lesser amount than due with an endorsement, statement or accompanying letter to the effect that payment of the lesser amount constitutes full payment shall be given no effect, and Franchisor may accept the partial payment without prejudice to any rights or remedies it may have against Developer. Acceptance of payments by Franchisor other than as set forth in this Agreement shall not constitute a waiver of Franchisor's right to demand payment in accordance with the requirements of this Agreement or a waiver by Franchisor of any other remedies or rights available to it pursuant to this Agreement or under applicable law. Notwithstanding any designation by Developer, Franchisor shall have sole discretion to apply any payments by Developer to any of its past due indebtedness for royalty fees, advertising contributions, purchases from Franchisor or its affiliates, interest or any other indebtedness. Franchisor has the right to accept payment from any other entity as payment by Developer. Acceptance of that payment by Franchisor will not result in that other entity being substituted for Developer.

E. No Offset. Developer shall not withhold or off-set any portion of any payment due to Franchisor's alleged non-performance under this Agreement or any other agreement by and between Franchisor and Developer or their respective parent corporations, subsidiaries or affiliates.

5. SITE DEVELOPMENT PROCEDURES

A. Developer's Responsibility. Developer assumes all cost, liability and expense for locating, obtaining and developing sites for Restaurants and constructing and equipping Restaurants in accordance with Franchisor's standards at accepted sites. Developer shall not make any binding commitments to purchase, lease or occupy a site until Franchisor has accepted the site in writing.

B. Site Selection. Franchisor will provide Developer with the following site selection assistance: (1) Franchisor's site selection guidelines including two sets of Franchisor' standard plans and specifications for the construction of a prototypical Fridays Restaurant and, as Developer may request, a reasonable amount of consultation with respect thereto; and (2) such on-site evaluation as Franchisor may deem advisable as part of its evaluation of Developer's request for site approval. The parties acknowledge and agree that Franchisor providing its standard plans and specifications or any other activities or services to Developer prior to the proposed site being accepted by Franchisor shall not create any reliance or expectation damages or liability for Franchisor nor shall any such activities create any expectations or representations to Developer that any proposed site will be accepted by Franchisor.

C. Real Estate Site Application.

(1) Developer shall submit to Franchisor a site application for each proposed site for each Restaurant including a description of the site, a feasibility study (including, without limitation, demographic data, photographs, maps, artists' renderings, site plans, a copy of the Occupancy Contract (as defined in Section 5.E(1)) and documentation indicating Developer's prospects to acquire a possessory interest in the site) and such other information related to the development of the site as Franchisor reasonably requests ("**Real Estate Site Application**"). After Franchisor receives the Real Estate Site Application, if the site meets Franchisor's then-current site acceptance criteria, Franchisor or its designee, in Franchisor's sole discretion, may conduct an on-site evaluation of the proposed site.

(2) To satisfy a Site Acceptance Deadline in the Development Schedule, Developer must submit a Real Estate Site Application for a site at which a Restaurant can be open and operating by the corresponding Opening Deadline in the Development Schedule. If Developer submits a Real Estate Site Application, but a Restaurant cannot be open and operating at the site by the next Opening Deadline in the Development Schedule, then that site will not satisfy the Site Acceptance Deadline in the Development Schedule.

D. Site Acceptance.

(1) Within 45 days after Franchisor's receipt of the Real Estate Site Application and any additional information that Franchisor may reasonably require, Franchisor shall review that information, evaluate the proposed site and advise Developer in writing whether it has conditionally accepted a particular site (the "**Preliminary Site Consent Letter**"). If Franchisor does not respond to the Real Estate Site Application within that time period, Franchisor shall be deemed to have rejected the site. It is within Franchisor's sole discretion whether to accept or reject a site. A site which Franchisor has accepted shall be referred to herein as an "Authorized Site." Franchisor may revoke its acceptance of an Authorized Site at any time if Developer (or its Affiliated Entities) commits a default of this Agreement or any Franchise Agreement with Franchisor (or its affiliates) and fails to cure that default with the applicable cure period, if any. Franchisor's final acceptance of an Authorized Site is subject to Developer's satisfaction of any and all conditions set forth in the Preliminary Site Consent Letter,

including, but not limited to, approval of (i) the Occupancy Contract as set forth in Section 5.E below and (ii) the preliminary construction plans and specifications.

(2) Developer acknowledges that, in order to preserve and enhance the reputation and goodwill of all restaurants franchised by Franchisor and the goodwill of the Proprietary Marks, all Restaurants must be properly developed, operated and maintained in accordance with Franchisor's standards. Accordingly, Developer agrees that Franchisor may refuse to accept a site for a proposed Restaurant, and specifically that Franchisor may, in its sole discretion, refuse to review any site submitted by Developer if Developer has failed to meet any of the following requirements:

(a) All Fridays Restaurants operated by Developer and any Affiliated Entities are in good standing with all Franchisor's operational standards at the time the Real Estate Application is submitted;

(b) Developer and any Affiliated Entities that operate Fridays Restaurants shall have timely paid all sums due to Franchisor under any Franchise Agreement(s) or other agreements(s) between Developer or its Affiliated Entities and Franchisor and/or its affiliates for the six month period immediately prior to submission of the Real Estate Site Application; and

(c) Developer, Developer's Principal Owners, any Affiliated Entities or any proposed Affiliated Entity for the site shall have submitted the Real Estate Site Application, Developer's proposed investment and financing plans, financial statements and any additional information required by Franchisor to demonstrate that Developer or its proposed Affiliated Entity meets Franchisor's then current standards to develop additional Restaurants, including, but not limited to, Franchisor's then-current financial and operational requirements.

(3) The Development Schedule contains the cumulative number of Restaurants that Developer must have open and operating by the specified Opening Deadlines. Franchisor's acceptance of any site and/or execution of a Franchise Agreement shall not waive, extend or modify the Development Schedule. Franchisor's refusal to review or accept any site shall not waive, extend or modify the Development Schedule.

E. Occupancy Contract Provisions.

(1) Within 60 days after the date of the Preliminary Site Consent Letter, Developer shall provide to Franchisor for its review and approval a copy of the proposed agreement or document (including, without limitation, any lease, deed, contract for sale, contract for deed, land contract, management contract, license, or other agreement purporting to grant any right, title, or interest in or to the site) pursuant to which Developer shall occupy or acquire rights in any Authorized Site ("**Draft Occupancy Contract**"; the final executed version of the Draft Occupancy Contract, together with all amendments, consents, waivers, and other modifications made from time to time, the "**Occupancy Contract**"). The Occupancy Contract shall not contain any covenants or other obligations that would prevent, limit or adversely affect Developer from performing its obligations under the Franchise Agreement. The Occupancy Contract shall be executed by all necessary parties within 30 days following Franchisor's approval. Developer shall furnish Franchisor a complete copy of the executed Occupancy Contract within 10 days after execution and within 30 days after written request by Franchisor.

(2) Unless waived in writing by Franchisor or unless it conveys to Developer fee simple title to the Authorized Site, the Occupancy Contract shall include, during the entire term including

any renewal terms, the provisions set forth in Rider 1 attached hereto and incorporated herein by this reference.

(3) Notwithstanding the provisions set forth in Rider 1, Developer shall: (a) deliver to Franchisor, immediately after delivery to or by Developer, any notice of default under the Occupancy Contract which threatens or purports to terminate the Occupancy Contract or result in a foreclosure thereof; (b) permit Franchisor to enter the Restaurant premises to protect the Proprietary Marks or the System or to cure any default under the Occupancy Contract or the applicable Franchise Agreement, all at Developer's expense; and (c) not amend the Occupancy Contract in any way which is inconsistent with the provisions set forth in Rider 1.

F. Execution of Franchise Agreements. Within 30 days after Developer signs the Occupancy Contract and before the Franchise Agreement Deadline listed in the Development Schedule and before commencing construction of the Restaurant, Developer must sign the Franchise Agreement and pay the Initial Franchise Fee to Franchisor. The form of Franchise Agreement for Developer's first Restaurant shall be the form included in the applicable Franchisor Franchise Disclosure Document as of the Effective Date. The form of Franchise Agreement for the other Restaurants to be developed by Developer pursuant to this Agreement shall be the then-current standard form in general use at the time of Franchisor's acceptance of a site.

6. TRAINING AND GUIDANCE

A. Owner's Orientation Program. Developer's Representative (as described in Section 8.E) must attend Franchisor's then current Owner's Orientation Program at Franchisor's then current corporate headquarters, which are currently located in Dallas, Texas. The Owner's Orientation Program is an expedited training program consisting of training related to the overall operation and management philosophy of a Fridays Restaurant. Developer's Principal Owners may also participate in all or any part of the Fridays Management Training Program (defined in Section 6.B). Franchisor does not charge a fee for the Owner's Orientation Program. Franchisor may, in its sole discretion modify the Owners Orientation Program.

B. Management Training Program. The Development Principal (as described in Section 8.G) must attend and successfully complete Franchisor's then current restaurant management training course including without limitation, all course materials, activities, methods processes, prerequisites and testing, as such may change from time to time at Franchisor's sole discretion (collectively, "**Management Training Program**") (either the full Management Training Program or a modified version of the Management Training Program to meet the specific needs of the trainee, as deemed appropriate by Franchisor in its sole discretion). Franchisor will not authorize Developer to open any Restaurant unless Developer has satisfied Franchisor's training requirements as set forth in the Franchise Agreement for that Restaurant. Unless Developer (or its Affiliated Entities) already operate at least three Restaurants and one of the Restaurants has been certified as a Certified Training Restaurant, prior to the opening any Restaurant, Developer must comply with the Franchise Agreement requirements for sending personnel to Fridays Management Training Program. In the event that Developer's manager(s) must be trained at another restaurant not operated by Developer, whether it is owned by Franchisor or another franchisee, Developer must pay a fee of \$500 per trainee to the owner of the restaurant in which the training takes place.

C. Pre-Opening Assistance. Franchisor may provide, at times and in a manner determined solely by Franchisor, consultation and advice to Developer as Franchisor deems appropriate with regard

to the construction, development, equipping and operation of each Restaurant, building layout, furnishings, fixtures and equipment plans and specifications, purchasing and inventory control and such other matters as Franchisor deems appropriate.

D. Additional Training. Franchisor shall have the right (which may be exercised at any time and in Franchisor's sole discretion) to require that the Development Principal, owners and any management level salaried employees designated by Franchisor take and successfully complete other training courses in addition to the Fridays Management Training Program. Franchisor reserves the right to require Developer to pay a tuition fee as established by Franchisor from time to time for these additional training programs within 30 days of receipt of an invoice from Franchisor.

E. Delegation. Franchisor has the right, from time to time, to delegate the performance of any portion or all of its obligations and duties under this Agreement to designees, whether affiliates or agents of Franchisor or independent contractors with which Franchisor has contracted to provide this service.

F. On-Line Training. In order to facilitate all online training and testing and make it available to all managers and team members, Developer will be required to purchase netbooks, the type and number of which as Franchisor may specify, and provide WiFi access at the Restaurants.

G. Expenses. Developer is responsible for any travel expenses, living expenses, wages, and other incidental expenses incurred by Developer and Developer's trainees while attending Franchisor's training programs.

7. INSURANCE

Developer shall be responsible for all loss or damage arising from or related to Developer's development and operation of each Restaurant, and for all demands or claims with respect to any loss, liability, personal injury, death, property damage, or expense whatsoever occurring upon the premises of, or in connection with the development or operation of, each Restaurant. Developer shall obtain and maintain that insurance which is required by law or which Developer determines is necessary or appropriate for liabilities caused by or occurring in connection with the development or operation of each Restaurant, which shall include, at a minimum, insurance policies of the kinds, and in the amounts, required by the Franchise Agreement for each Restaurant. Franchisor, and any entity with an insurable interest designated by Franchisor, shall be an additional insured in such policies to the extent each has an insurable interest. All liability policies shall be endorsed to be primary and non-contributory and shall contain either a "cross-liability" endorsement or a "separations of insureds" provision.

8. ORGANIZATION OF DEVELOPER

A. Representations.

(1) If Developer is a corporation, a limited liability company or a partnership, Developer makes the following representations and warranties: (a) it is duly organized and validly existing under the laws of the state of its formation; (b) it is qualified to do business in the state or states in which the Territory is located; (c) execution of this Agreement and the development and operation of Restaurants is permitted by its governing documents; and (d) unless waived in writing by Franchisor, Developer's Articles of Incorporation, Articles of Organization or written partnership agreement shall at all times provide that: (i) the activities of Developer are limited exclusively to the development and

operation of Fridays Restaurants and other restaurants operated by Developer that are franchised by Franchisor or its affiliates; and (ii) all transfers of ownership in Developer are subject to the terms of this Agreement.

(2) If Developer is an individual, or a partnership comprised solely of individuals, Developer makes the following additional representations and warranties: (a) each individual has executed this Agreement; (b) each individual shall be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement; and (c) notwithstanding any transfer for convenience of ownership pursuant to Section 10, each individual shall continue to be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement.

B. Governing Documents. If Developer is a corporation, copies of Developer's Articles of Incorporation, bylaws, other governing documents and any amendments, including the resolution of the Board of Directors authorizing entry into and performance of this Agreement, and all shareholder agreements, including buy/sell agreements, have been furnished to Franchisor. If Developer is a limited liability company, copies of Developer's Articles of Organization, Management Agreement, other governing documents and any amendments, including the resolution of the managers authorizing entry into and performance of this Agreement, and all agreements, including buy/sell agreements, among the members have been furnished to Franchisor. If Developer is a partnership, copies of Developer's written partnership agreement, other governing documents and any amendments, as well as all agreements, including buy/sell agreements, among the partners have been furnished to Franchisor, in addition to evidence of consent or approval of the entry into and performance of this Agreement by the requisite number or percentage of partners, if that approval or consent is required by Developer's written partnership agreement. When any of these governing documents are modified or changed, Developer promptly shall provide copies to Franchisor.

C. Ownership Interests. If Developer is a corporation, a limited liability company or a partnership, Developer must identify all of its owners in attached Exhibit C. In addition, if Developer is a corporation, Developer shall maintain a current list of all owners of record and all beneficial owners of any class of voting securities of the corporation (and the number of shares owned by each). If Developer is a limited liability company, Developer shall maintain a current list of all members (and the percentage membership interest of each member). If Developer is a partnership, Developer shall maintain a current list of all owners of an interest in the partnership (and the percentage ownership of each owner). Developer shall comply with Section 10 prior to any change in ownership interests and shall execute addenda to Exhibit C as changes occur in order to ensure the information contained in Exhibit C is true, accurate and complete at all times.

D. Restrictive Legend. If Developer is an entity, the stock certificates, member certificates, or partnership agreement shall have the following statement: "Any assignment or transfer of any ownership interest in the entity is subject to the restrictions imposed on assignment by the TGI Fridays Restaurant Development Agreement to which this entity is a party."

E. Representative. Developer shall designate a Principal Owner as Developer's representative who is authorized to act on behalf of, and bind, Developer with respect to this Agreement ("**Representative**"). The Representative shall be identified in Exhibit C as it may be revised from time to time. Any replacement Representative shall be designated within 10 days of the prior Representative's resignation or termination. Each Representative shall attend and successfully complete Franchisor's Owner's Orientation Program.

F. Guaranties.

(1) All of Developer's officers, directors and Principal Owners (and their spouses) also shall jointly and severally guarantee Developer's payment and performance under this Agreement and also shall bind themselves to the terms of this Agreement pursuant to the attached Guaranty and Assumption of Developer's Obligations ("**Guaranty**"). Notwithstanding the foregoing, Franchisor reserves the right, in its sole discretion, to waive the requirement that some or all of the previously described individuals execute the attached Guaranty. Franchisor reserves the right to require any guarantor to provide personal financial statements to Franchisor from time to time. Developer acknowledges that, unless otherwise agreed to in writing by Franchisor, Franchisor requires individuals (and not corporations, limited liability companies or other entities) execute the Guaranty. Accordingly, if any Principal Owner is not an individual, Franchisor shall have the right to have the Guaranty executed by individuals who have only an indirect ownership interest in Developer.

(2) If Developer, any guarantor or any parent, subsidiary or affiliate of Developer holds any interest in other restaurants that are franchised by Franchisor or its affiliates, the party who owns that interest shall execute, concurrently with this Agreement, a form of cross-guaranty to Franchisor and its affiliates for the payment of all obligations for such restaurants, unless waived in writing by Franchisor in its sole discretion. For purposes of this Agreement, an affiliate of Developer is any company controlled, directly or indirectly, by Developer or Developer's parent or subsidiary.

(3) Any direct or indirect owner of Developer who is not a Principal Owner but who has access to Confidential Information or who has an active role in the construction, development, equipping, operation or management of the Restaurants must execute a Non-Disclosure and Non-Competition Agreement attached as Exhibit E.

G. Development Principal.

(1) If Developer is owned by more than one individual, Developer shall designate and retain an individual to serve as the Development Principal. The Development Principal shall be identified in Exhibit C as it may be revised from time to time. Unless waived in writing by Franchisor, the Development Principal shall meet all of the following qualifications:

(a) The Development Principal, at all times, shall have at least a 5% equity ownership interest in Developer. This Section 8.G(1)(a) shall not apply if Developer was a publicly-held entity or a wholly-owned subsidiary of a publicly-held entity as of the date of the first franchise-related agreement between Developer and Franchisor.

(b) The Development Principal must sign the attached Guaranty.

(c) The Development Principal, at all times, shall have full control over the day-to-day development of the Restaurants.

(d) The Development Principal shall devote substantial and adequate time and reasonable efforts to supervising the development of the Restaurants and shall not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility.

(e) The Development Principal shall maintain a primary residence within a reasonable driving distance of the Territory.

(f) The Development Principal shall successfully complete the Management Training Program (either the full Management Training Program or a modified version of the Management Training Program to meet the specific needs of the trainee, as deemed appropriate by Franchisor in its sole discretion) and any additional training required by Franchisor.

(g) Franchisor shall have approved the Development Principal and not have later withdrawn that approval.

(2) If the Development Principal no longer qualifies as such, Developer shall designate another qualified person to act as Development Principal within 30 days after the date the prior Development Principal ceases to be qualified. Developer's designee to become the Development Principal must successfully complete the Management Training Program. Following Franchisor's approval of a new Development Principal, that person shall execute the attached form of Guaranty unless waived by Franchisor in its sole discretion and satisfy all other requirements stated in this Section 8.G.

9. TRANSFERS BY FRANCHISOR

Franchisor has the absolute, unrestricted right, exercisable at any time, to change its ownership or form and/or transfer and assign all or any part of its rights and obligations under this Agreement to any person or legal entity without Developer's consent. After Franchisor's transfer or assignment of this Agreement to a third party who expressly assumes Franchisor's obligations under this Agreement, Franchisor no longer will have any performance or other obligations under this Agreement.

10. TRANSFERS BY DEVELOPER

A. No Transfer By Developer. The rights granted to Developer are personal to Developer; therefore, Developer shall not sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber ("**Transfer**") any interest in this Agreement (and if Developer is a corporation, partnership, or liability company, no Principal Owner of Developer shall Transfer any interest in Developer) to any person or legal entity without Franchisor's prior written consent, which consent may be denied with or without cause by Franchisor in its sole and absolute discretion. If Franchisor decides to consent to a Transfer in its sole discretion, that consent shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee. Developer acknowledges and agrees that with respect to the prohibition against transferability herein, Franchisor's consent is reserved to Franchisor's sole and absolute discretion and that the exercise of such discretion shall not be subject to contest.

B. Franchisor's Consent to Intra-Developer Transfers. Franchisor shall consent to a Transfer of an ownership interest in Developer of less than 49% between and among Developer's equity owners identified on Exhibit C as of the Effective Date provided that: (1) after the Transfer (or aggregate Transfers), the original Principal Owners of Developer as of the Effective Date retain at least a 51% ownership interest in Developer; and (2) Franchisor has determined, in the exercise of its sole discretion, that both before and after the Transfer, Developer will possess the expertise, financial resources and/or capital necessary to fulfill its obligations under this Agreement.

C. Transfer on Death or Disability. Franchisor shall consent to a Transfer of an equity ownership interest in Developer following the death or permanent disability of Developer or an equity owner of Developer provided that: (1) immediately prior to and after the Transfer, the transferee

developer meets Franchisor's then-current financial, operational and development standards for new development for the Territory; and (2) such Transfer is completed within six months following the death or permanent disability. Failure to complete the Transfer as required by this Section 10.C within this period of time will constitute a breach of this Agreement. A person shall be deemed to have a "permanent disability" if he or she has any physical, emotional or mental injury, illness or incapacity which would prevent the afflicted person from performing his obligations under this Agreement for more than 90 consecutive days as determined by a licensed physician selected by Franchisor. Developer or any equity owner of Developer refusing to submit to examination with respect to a permanent disability shall be deemed permanently disabled.

11. GENERAL RELEASE

Developer (on behalf of itself and its parent, subsidiaries and affiliates and their respective past and present members, officers, directors, shareholders, agents and employees, in their corporate and individual capacities), all individuals who execute this Agreement and all guarantors of Developer's obligations under this Agreement (collectively "**Releasors**"), freely and without any influence, forever release and covenant not to sue Franchisor, its parent, subsidiaries and affiliates, including without limitation, TGI Friday's Inc., and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities (collectively "**Releasees**") with respect to any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively "**claims**"), that any Releasor now owns or holds, or may at any time have owned or held, up to and including the date of this Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, claims for contribution, indemnity and/or subrogation, and claims arising out of, or relating to this Agreement and all other agreements between any Releasor and any Releasee, the sale of a franchise to any Releasor, the development of any Restaurant and the development and operation of all other restaurants operated by any Releasor that are franchised by any Releasee. Notwithstanding any provision to the contrary in this Section 11, this General Release does not release any claims arising from representations made in Franchisor's Franchise Disclosure Document or its exhibits or otherwise impair or affect any claims arising after the date of this Agreement. **TO THE EXTENT APPLICABLE, DEVELOPER, EACH PRINCIPAL OWNER AND EACH GUARANTOR INTEND THIS SECTION TO COVER, ENCOMPASS, RELEASE AND EXTINGUISH ALL CLAIMS AND MATTERS THAT MIGHT OTHERWISE BE RESERVED BY CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED THE SETTLEMENT WITH THE DEBTOR."**

12. COVENANTS

A. Best Efforts. During the Development Term, Developer shall devote its best efforts to the development, management and operation of the Restaurants in the Territory.

B. Confidentiality.

(1) As used in this Agreement, the term "**Confidential Information**" includes the System, Franchisor's operating manuals, the Franchisor's operational system standards, written directives and all drawings, equipment, recipes, computer and point of sale programs (and output from such programs), and any other information, know-how, techniques, trade secrets, material and data imparted or

made available by Franchisor which is (a) designated as confidential; (b) known by Developer to be considered confidential by Franchisor; or (c) by its nature inherently or reasonably considered confidential.

(2) Developer acknowledges and agrees that: (a) Franchisor owns all right, title and interest in and to the Confidential Information; (b) the Confidential Information gives Franchisor and its affiliates a competitive advantage; (c) Franchisor and its affiliates have taken all measures necessary to protect the Confidential Information; (d) all Confidential Information now or hereafter provided or disclosed to Developer is disclosed in confidence; (e) Developer has no right to disclose any part of the Confidential Information to anyone who is not an employee of Developer; (f) Developer will disclose to its employees only those parts of the Confidential Information that an employee needs to know; (g) Developer will have a system in place to ensure its employees keep confidential the Confidential Information, and, if requested by Franchisor, Developer shall obtain from those of its Principal Owners, officers, members, managers and employees designated by Franchisor an executed Non-Disclosure and Non-Competition Agreement the current form of which is attached as Exhibit E; (h) Developer will not acquire any interest in the Confidential Information; and (i) Developer's use or duplication of the Confidential Information or any part of the Confidential Information in any other business would constitute an unfair method of competition, for which Franchisor would be entitled to all legal and equitable remedies, including injunctive relief, without posting a bond. Developer shall not, during the Development Term or at any time thereafter, communicate or disclose any Confidential Information to any unauthorized person, or do or perform, directly or indirectly, any other acts injurious or prejudicial to any of the Proprietary Marks or the System.

(3) If Developer develops any new concepts, processes or improvements relating to the System, Developer promptly shall notify Franchisor and provide Franchisor with all information regarding the new concept, process or improvement, all of which shall, at Franchisor's option, become the property of Franchisor and its affiliates and which may be incorporated into the System without any payment to Developer. If Franchisor so elects, Developer promptly shall take all actions deemed necessary and desirable by Franchisor to vest in Franchisor's ownership of such concepts, processes or improvements.

C. Restrictions.

(1) Developer acknowledges and agrees that: (a) pursuant to this Agreement, Developer will have access to valuable trade secrets, specialized training and Confidential Information from Franchisor and its affiliates regarding the development, operation, purchasing, sales and marketing methods and techniques of Franchisor and its affiliates and the System; (b) the System and the opportunities, associations and experience established and acquired by Developer under this Agreement are of substantial and material value; (c) in developing the System, Franchisor and its affiliates have made and continue to make substantial investments of time, technical and commercial research, and money; (d) Franchisor would be unable to adequately protect the System and its trade secrets and Confidential Information against unauthorized use or disclosure and would be unable to adequately encourage a free exchange of ideas and information among Fridays Restaurants if franchisees or developers were permitted to hold interests in competitive businesses; and (e) restrictions on Developer's right to hold interests in, or perform services for, competitive businesses will not hinder its activities.

(2) Accordingly, Developer covenants and agrees that during the Development Term, and for a continuous period of two years following its expiration, termination or Transfer,

Developer shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with, any person, firm, partnership, corporation, or other entity:

(a) Divert or attempt to divert any business or customer, or potential business or customer, of any restaurant franchised or operated by Franchisor or its affiliates to any competitor, by direct or indirect inducement or otherwise; or

(b) Own, maintain, operate, engage in, advise, help, make loans to, or have any interest in, either directly or indirectly, any restaurant business that offers the same or similar products and services as offered by Fridays Restaurants or restaurants in any other concept or system owned, operated, managed or franchised by Franchisor or an affiliate, including, without limitation, waiter/waitress service, sit-down dining and bar services.

(3) During the Development Term, there is no geographical limitation on the restrictions set forth in Section 12.C. For a continuous two-year period following the expiration, termination or Transfer of this Agreement, the restrictions set forth in Section 12.C shall apply: (a) within the Territory; (b) within a three-mile radius of the border of the Territory; and (c) within a three-mile radius of any then-existing Fridays Restaurant, except as otherwise approved in writing by Franchisor. These restrictions shall not apply to Developer's existing restaurant or foodservice operations, if any, which are identified in Exhibit B, nor shall it apply to other restaurants operated by Developer that are franchised by Franchisor or its affiliates.

(4) If any part of these restrictions is found to be unreasonable in time or distance, each month of time or mile of distance may be deemed a separate unit so that the time or distance may be reduced by appropriate order of the court to that deemed reasonable. If, at any time during the two-year period following expiration, earlier termination or Transfer of this Agreement, Developer fails to comply with its obligations under this Section, that period of noncompliance will not be credited toward Developer's satisfaction of the two-year obligation.

D. Additional Remedies for Breach. In addition to any other remedies or damages permitted under this Agreement, if Developer breaches Sections 12.C(2)(c) or 12.C(3) ("**Covenants Against Competition**") during the Development Term or during the continuous two-year period following the expiration, termination or Transfer of this Agreement, for each restaurant business that violates those Sections, Developer shall pay to Franchisor: (1) a fee equal to Franchisor's then-current Initial Franchise Fee for franchised Fridays Restaurants; and (2) 8% of the Gross Sales of that restaurant business until the expiration of the continuous two-year period following the expiration or earlier termination of this Agreement. Developer acknowledges that a precise calculation of the full extent of Franchisor's damages under these circumstances is difficult to determine and the method of calculation of such damages as set forth in this Section 12.D is reasonable. Developer's payment to Franchisor under this Section shall be in addition to any attorneys' fees and other costs and expenses to which Franchisor is entitled pursuant to the terms of this Agreement. Developer acknowledges that breach of the Covenants Against Competition by Developer shall cause irreparable harm to Franchisor in addition to monetary damages and nothing in this Section 12.D shall preclude Franchisor from obtaining appropriate injunctive relief to enforce the Covenants Against Competition and specific performance to enforce this Section 12.D.

E. Modification. Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant in this Section 12 effective immediately upon Developer's receipt of written notice, and Developer agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 18.

F. Execution of Covenants by Third Parties. At Franchisor's request, Developer shall require and obtain the execution of covenants similar to those set forth in this Section 12 (including covenants applicable upon the termination of an individual's relationship with Developer) from certain third parties such as any manager, employee or Principal Owner. Every covenant required by this Section 12.F shall be in a form satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third party beneficiary of such covenants with the independent right to enforce them. Franchisor's current form of Non-Disclosure and Non-Competition Agreement is attached as Exhibit E. Failure by Developer to obtain execution of a covenant required by this Section 12.F shall constitute a material breach of this Agreement.

G. Applicability. The restrictions contained in this Section 12 shall apply to Developer, Developer's Principal Owners and all guarantors of Developer's obligations. With respect to guarantors, these restrictions shall apply for a continuous two-year period after any guarantor ceases to be an officer, stockholder, director or Principal Owner. The restrictions contained in this Section 12 shall not apply to ownership of less than a 5% legal or beneficial ownership in the outstanding equity securities of any publicly held corporation by Developer or any guarantor of Developer's obligations. The existence of any claim Developer or any guarantor of Developer's obligations may have against Franchisor or its affiliates, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 12. The preceding sentence, however, does not constitute a waiver of any such claim.

13. TERMINATION

A. Defaults Resulting in Automatic Termination – No Notice or Opportunity to Cure. Developer shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Developer, if: (1) Developer shall become insolvent or makes a general assignment for the benefit of creditors; (2) a petition in bankruptcy is filed by Developer or such a petition is filed against and not opposed by Developer; (3) Developer is adjudicated a bankrupt or insolvent; (4) a bill in equity or other proceeding for the appointment of a receiver of Developer or other custodian for Developer's business or assets is filed and consented to by Developer; (5) a receiver or other custodian (permanent or temporary) of Developer's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; (6) proceedings for a composition with creditors under any state or federal law is instituted by or against Developer; (7) a final judgment remains unsatisfied or of record for 30 days or longer (unless on appeal or a supersedeas bond is filed); (8) Developer is dissolved; or (9) execution is levied against Developer's business or property.

B. Defaults Resulting in Termination Upon Notice – No Opportunity to Cure. In addition to the grounds for termination that may be stated elsewhere in this Agreement, Franchisor may terminate this Agreement, and the rights granted by this Agreement, upon written notice to Developer without an opportunity to cure upon the occurrence of any of the following events:

(1) Developer fails to comply with any Site Acceptance Deadline, Franchise Agreement Deadline, Opening Deadline or Developer fails to have open and operating the number of Restaurants required by the Development Schedule.

(2) Developer begins development, construction or equipping of a Restaurant before Developer has received a fully-executed Franchise Agreement and paid the Initial Franchise Fee for that location.

(3) There is a material breach by Developer of any confidentiality obligation or restrictive covenant under Section 12.

(4) Developer breaches the Transfer restrictions set forth in Section 10.

(5) Franchisor discovers that Developer made a material misrepresentation or omitted a material fact in the information that was furnished to Franchisor in connection with its decision to enter into this Agreement.

(6) Developer knowingly falsifies any report required to be furnished Franchisor or makes any material misrepresentation in its dealings with Franchisor or fails to disclose any material facts to Franchisor.

(7) Developer, any stockholder, member, partner, director or officer of Developer, or any Principal Owner is convicted of, or pleads no contest (regardless of status of any appeal) to, a felony charge, a crime involving moral turpitude or any other crime or offense that is reasonably likely, in the sole opinion of Franchisor, to adversely affect Franchisor, its affiliates or the System.

(8) There is a material breach by Developer of any representation or warranty set forth in Section 22.G or 22.H.

(9) Developer (or any Affiliated Entity) or any Principal Owner: (a) remains in default beyond the applicable cure period under any other agreement with Franchisor or its affiliates (provided that, if the default is not by Developer, Franchisor shall provide to Developer written notice of the default and a 15-day period to cure the default); (b) remains in default beyond the applicable cure period under any real estate lease, equipment lease, or financing instrument relating to a Restaurant; or (c) with any vendor or supplier to a Restaurant; provided that if the default is not by Developer, Developer is given written notice of the default and 30 days to cure said default.

C. Defaults Resulting in Termination Following Expiration of Cure Period.

(1) Except for those items listed in preceding Section 13.A and 13.B, Developer shall have 30 days after written notice of default from Franchisor within which to remedy the default and provide evidence of that remedy to Franchisor. If any such default is not cured within that time, this Agreement shall terminate without further notice to Developer effective immediately upon expiration of that time, unless Franchisor notifies Developer otherwise in writing. Developer will be in default under this Section 13.C(1) for any failure to materially comply with any of the requirements imposed by this Agreement or otherwise in writing, or to carry out the terms of this Agreement in good faith.

(2) If Developer has received two or more notices of default within the previous 12 months, Franchisor shall be entitled to send Developer a notice of termination upon Developer's next default within that 12-month period without providing Developer an opportunity to remedy the default.

D. Franchisor's Alternative Remedies Upon Developer's Default.

In addition to, and without limiting Franchisor's other rights and remedies under this Agreement, any other agreement or applicable law, if Developer fails to comply with any provision of this Agreement or upon the occurrence of (i) any event of default giving rise to Franchisor's right to terminate this Agreement under the preceding Section 13.B or (ii) any event of default under Section 13.C which,

following notice, is not timely cured, Franchisor may instead elect, in its sole discretion and upon written notice to Developer, to take either or both of the following actions without terminating this Agreement until such time as Franchisor confirms in writing that such default has been cured:

(1) terminate the limited exclusivity of the Territory (as provided under Section 2.B above); and

(2) modify Exhibit A to reduce the size of the Territory. This means that during the remainder of the term of this Development Agreement, Franchisor will have the right to operate, or license others to operate, restaurants identified in whole or in part by the name and mark "Fridays" in the Territory and continue to engage, and grant to others the right to engage, in any activities that Franchisor desires within the Territory without any restrictions whatsoever.

E. Early Termination Damages.

(1) If Developer defaults on its obligations and Franchisor terminates this Agreement prior to the expiration of the Development Term, it is hereby agreed by Developer and Franchisor that the amount of damages which Franchisor would incur for any such termination of this Agreement would be difficult, if not impossible, to accurately ascertain. Accordingly, within 30 days following such termination, Developer and its Principal Owners shall pay to Franchisor an amount equal to: (x) two times the average of the total annual royalty fees and advertising contributions owed by Developer or its Affiliated Entities under Franchise Agreements developed pursuant to this Agreement over the prior three year period multiplied by (y) the number of restaurants that remain to be developed pursuant to the Development Schedule ("**Early Termination Damages**"). If Developer has been developing Restaurants under this Agreement for less than three years, the Early Termination Damages shall be equal to: (x) two times the average of the total annual royalty fees and advertising contributions (prorated, if necessary) owed by Developer or its Affiliated Entities under Franchise Agreements developed pursuant to this Agreement during the most recent 12 month period of time multiplied by (y) the number of restaurants that remain to be developed pursuant to the Development Schedule. These Early Termination Damages shall constitute liquidated damages and are not to be construed as a penalty and shall be the joint and several liability of Developer, the Principal Owners and each Guarantor.

(2) Developer and Franchisor acknowledge and agree that: (a) the Early Termination Damages are a reasonable estimation of the damages that would be incurred by Franchisor resulting from or arising out of the premature termination of this Agreement; and (b) Developer's payment of such Early Termination Damages is intended to fully compensate Franchisor only for any and all damages related to or arising out of the premature termination of this Agreement by Franchisor, and shall not constitute an election of remedies, waiver of any default under this Agreement, nor waiver of Franchisor's claim for other damages and/or equitable relief arising out of Developer's breach of this Agreement.

(3) The imposition of the Early Termination Damages shall be at Franchisor's sole option. Franchisor is not required to impose the Early Termination Damages and may, in addition or in lieu thereof, pursue other remedies available to Franchisor under the terms and conditions of this Agreement, in equity or at law in the event of Developer's default under this Agreement, including, without limitation, actual damages incurred by Franchisor, if such can be ascertained. All such remedies shall be cumulative and non-exclusive.

F. Statutory Limitations. If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement requires a notice or cure period prior to

termination longer than set forth in this Section, this Agreement will be deemed amended to conform to the minimum notice or cure period required by the applicable law or regulation.

14. OBLIGATIONS ON TERMINATION OR EXPIRATION

A. Developer's Obligations. Upon termination or expiration of this Agreement, Franchisor shall retain the Development Fee and:

(1) Developer shall have no further right to develop or open Restaurants in the Territory, except that Developer shall be entitled to complete and open a Restaurant for which a Franchise Agreement has been fully executed. Termination or expiration of this Agreement shall not affect Developer's right to continue to operate Restaurants that were open and operating as of the date this Agreement terminated or expired;

(2) The limited exclusive rights granted Developer in the Territory shall terminate, and Franchisor shall have the right to operate or license others to operate restaurants identified in whole or in part by the name and mark "Fridays" anywhere in the Territory;

(3) Developer promptly shall cease use of and return to Franchisor all materials and information furnished by Franchisor or its affiliates, except materials and information furnished with respect to a Restaurant which is open and operating pursuant to an effective franchise agreement. Developer shall retain no copies of the returned materials;

(4) Developer and all persons and entities subject to the covenants contained in Section 12 shall continue to abide by those covenants and shall not, directly or indirectly, take any action that violates those covenants;

(5) Developer immediately shall pay Franchisor and its affiliates all sums due and owing Franchisor or its affiliates pursuant to this Agreement; and

(6) Developer and each Principal Owner shall, jointly and severally, pay all costs and expenses (including fees of attorneys and other engaged professionals) incurred by Franchisor in connection with the successful enforcement of this Section.

B. Evidence of Compliance. Developer shall furnish Franchisor, within 30 days after the effective date of termination or expiration, evidence (certified to be true, complete, accurate and correct by the chief executive officer of Developer, if Developer is a corporation; by a manager of Developer, if Developer is a limited liability company; or by a general partner of Developer, if Developer is a partnership) satisfactory to Franchisor of Developer's compliance with Sections 14.A.

C. Developer Prohibited from Engaging in Certain Conduct. Developer shall not, except with respect to a restaurant franchised by Franchisor or its affiliates which is then open and operating pursuant to an effective franchise agreement: (1) operate or do business under any name or in any manner that might tend to give the public the impression that Developer is connected in any way with Franchisor or its affiliates or has any right to use the System or the Proprietary Marks; (2) make, use or avail itself of any of the materials or information furnished or disclosed by Franchisor or its affiliates under this Agreement or disclose or reveal any such materials or information or any portion thereof to anyone else; or (3) assist anyone not licensed by Franchisor or its affiliates to construct or equip a foodservice outlet substantially similar to a Fridays Restaurant.

15. RELATIONSHIP OF THE PARTIES AND INDEMNIFICATION

A. Relationship of the Parties.

(1) This Agreement does not create a fiduciary or other special relationship between the parties. No agency, employment, or partnership is created or implied by the terms of this Agreement, and Developer is not and shall not hold itself out as agent, legal representative, partner, subsidiary, joint venturer or employee of Franchisor or its affiliates. Developer shall have no right or power to, and shall not, bind or obligate Franchisor or its affiliates in any way or manner, nor represent that Developer has any right to do so. Developer shall not issue any press releases without the prior written approval of Franchisor.

(2) Developer is an independent contractor and is solely responsible for all aspects of the development and operation of the Restaurants, subject only to the conditions and covenants established by this Agreement and the Franchise Agreements. Without limiting the generality of the foregoing, Developer acknowledges that Franchisor has no responsibility to ensure that the Restaurants are developed in compliance with all applicable laws, ordinances and regulations and that Franchisor shall have no liability in the event the development or operation of the Restaurants violates any law ordinance or regulation.

(3) The sole relationship between Developer and Franchisor is a commercial, arms' length business relationship. Developer's business is, and shall be kept, totally separate and apart from any that may be operated by Franchisor. In all public records, in relationships with other persons, and on letterheads and business forms, Developer shall indicate its independent ownership of the Restaurants and that Developer is solely a franchisee of Franchisor.

B. Indemnification.

(1) Developer, Developer's Principal Owners and all guarantors of Developer's obligations under this Agreement shall, at all times, indemnify, defend (with counsel reasonably acceptable to Franchisor), and hold harmless (to the fullest extent permitted by law) Franchisor and its affiliates, and their respective successors, assigns, past and present stockholders, directors, officers, employees, agents and representatives (collectively "**Indemnitees**") from and against all "losses and expenses" (as defined below) incurred in connection with any action, suit, proceeding, claim, demand, investigation, inquiry (formal or informal), judgment or appeal thereof by or against Indemnitees or any settlement thereof (whether or not a formal proceeding or action had been instituted), arising out of or resulting from or connected with Developer's breach of this Agreement or Developer's activities under this Agreement, excluding losses and expenses determined to be caused solely by the gross negligence or willful misconduct of Franchisor in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction. Developer promptly shall give Franchisor written notice of any such action, suit, proceeding, claim, demand, inquiry or investigation filed or instituted against Developer and, upon request, shall furnish Franchisor with copies of any documents from such matters as Franchisor may request.

(2) At Developer's expense and risk, Franchisor may elect to assume (but under no circumstances will Franchisor be obligated to undertake), the defense and/or settlement of any action, suit, proceeding, claim, demand, investigation, inquiry, judgment or appeal thereof subject to this indemnification. Such an undertaking shall, in no manner or form, diminish Developer's obligation to indemnify and hold harmless Franchisor and Indemnitees. An Indemnitee need not seek recovery from

any insurer or other third party, or otherwise mitigate its or their losses and expenses, in order to maintain and recover from third parties fully a claim against Developer under this Section 15.B. Developer agrees that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnitee may recover from Developer under this Section 15.B.

(3) As used in this Section, the phrase "losses and expenses" shall include, but not be limited to, all losses; compensatory, exemplary and punitive damages; fines; charges; costs; expenses; lost profits; reasonable attorneys' fees; expert witness fees; court costs; settlement amounts; judgments; compensation for damages to Franchisor's reputation and goodwill; costs of or resulting from delays; financing; costs of advertising material and media time/space and the costs of changing, substituting or replacing the same; and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

16. CONSENTS, APPROVALS AND WAIVERS

A. Approvals. Whenever this Agreement requires the prior approval, acceptance, or consent of Franchisor, Developer shall make a timely written request to Franchisor therefor; and any approval, acceptance, or consent received, in order to be effective and binding upon Franchisor, must be obtained in writing and be signed by an officer of Franchisor.

B. No. Warranties. Franchisor makes no warranties or guarantees upon which Developer may rely by providing any waiver, approval, acceptance, consent or suggestion to Developer in connection with this Agreement, and assumes no liability or obligation to Developer therefor, or by reason of any neglect, delay, or denial of any request therefor. Franchisor shall not, by virtue of any approvals, acceptances, advice or services provided to Developer, assume responsibility or liability to Developer or to any third parties to which Franchisor would not otherwise be subject.

C. Waivers. No failure of Franchisor to exercise any power reserved to it by this Agreement or to insist upon strict compliance by Developer with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms of this Agreement, shall constitute a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement. A waiver by Franchisor of any particular default by Developer shall not affect or impair Franchisor's rights with respect to any subsequent default of the same, similar or different nature, nor shall any delay, forbearance or omission of Franchisor to exercise any power or right arising out of any breach or default by Developer of any of the terms, provisions or covenants of this Agreement affect or impair Franchisor's right to exercise the same, nor shall such constitute a waiver by Franchisor of any right hereunder, or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of the Development Term. Subsequent acceptance by Franchisor of any payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Developer of any terms, covenants or conditions of this Agreement.

17. NOTICES

No notice, demand, request or other communication to the parties shall be binding upon the parties unless the notice is in writing, refers specifically to this Agreement, and is addressed to the addresses shown on the signature page of this Agreement, unless and until a different address has been designated by written notice to the other party. Notices shall be effective upon receipt (or first refusal of delivery) and may be: (A) delivered personally; (B) transmitted by facsimile or electronic mail with electronic confirmation of receipt; (C) mailed in the United States mail, postage prepaid, certified mail,

return receipt requested; or (D) mailed via overnight courier. Notices shall be deemed received: at the time of personal delivery, at the time of transmission in the case of email, electronic delivery, facsimile or similar delivery (provided confirmation of delivery is received by the sender), on the next business day in the case of overnight delivery, or within three business days in the case of registered or certified mail.

18. ENTIRE AGREEMENT

Franchisor and Developer acknowledge that each element of this Agreement is essential and material and that, except as otherwise provided in this Agreement, the parties shall deal with each other in good faith. This Agreement, the documents referred to herein, and the attachments hereto, constitute the entire, full and complete agreement between the parties concerning Developer's rights in the Territory and Franchisor's approval of sites for Restaurants, and supersede any and all prior or contemporaneous negotiations, discussions, understandings or agreements. There are no other representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Agreement other than those set forth in this Agreement and in the attachments to this Agreement. Nothing in this or any other agreement, however, is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document that Franchisor furnished to Developer. No obligations or duties that contradict or are inconsistent with the express terms of this Agreement may be implied into this Agreement. Except as expressly set forth herein, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed in writing.

19. SEVERABILITY AND CONSTRUCTION

A. Severability. Each article, paragraph, subparagraph, term and condition of this Agreement, and any portions thereof, will be considered severable. If, for any reason, any portion of this Agreement is determined to be invalid, contrary to, or in conflict with, any applicable present or future law, rule or regulation in a final, unappealable ruling issued by any court, agency or tribunal with valid jurisdiction in a proceeding to which Franchisor is a party, that ruling will not impair the operation of, or have any other effect upon, any other portions of this Agreement; all of which will remain binding on the parties and continue to be given full force and effect.

B. No Third Party Beneficiaries. Except as otherwise provided in Section 15.B, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Developer and Franchisor and its affiliates and such of their heirs, successors and assigns, any rights or remedies under or by reason of this Agreement.

C. Modification to Scope of Covenants by Law. Developer expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law that is subsumed within the terms of any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions of this Agreement any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

D. Interpretation. No provision of this Agreement shall be interpreted in favor of, or against, any party because of the party that drafted this Agreement.

20. GOVERNING LAW, FORUM AND LIMITATIONS

A. Choice of Law. This Agreement and any claim or controversy arising out of, or relating to, rights and obligations of the parties under this Agreement and any other claim or controversy between the parties shall be governed by and construed in accordance with the laws of the State of Texas without regard to conflicts of laws principles. Nothing in this Section is intended, or shall be deemed, to make any Texas law regulating the offer or sale of franchises or the franchise relationship applicable to this Agreement if such law would not otherwise be applicable.

B. Choice of Forum. The parties agree that, to the extent any disputes cannot be resolved directly between them, Developer shall file any suit against Franchisor only in the federal or state court located in Dallas County, Texas. Franchisor may file suit in the federal or state court having jurisdiction in Dallas County, Texas or in the jurisdiction where Developer resides or does business or where the Territory or any Restaurant is or was located or where the claim arose. Developer consents to the personal jurisdiction of those courts over Developer and to venue in those courts.

C. Limitation of Actions. **EXCEPT FOR PAYMENTS OWED BY ONE PARTY TO THE OTHER, AND UNLESS PROHIBITED BY APPLICABLE LAW, ANY LEGAL ACTION OR PROCEEDING (INCLUDING THE OFFER AND SALE OF A FRANCHISE TO DEVELOPER) BROUGHT OR INSTITUTED WITH RESPECT TO ANY DISPUTE ARISING FROM OR RELATED TO THIS AGREEMENT OR WITH RESPECT TO ANY BREACH OF THE TERMS OF THIS AGREEMENT MUST BE BROUGHT OR INSTITUTED WITHIN A PERIOD OF TWO YEARS AFTER THE INITIAL OCCURRENCE OF ANY ACT OR OMISSION THAT IS THE BASIS OF THE LEGAL ACTION OR PROCEEDING, WHENEVER DISCOVERED.**

D. Waiver of Certain Damages and Rights.

(1) **DEVELOPER AND FRANCHISOR WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST EACH OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN THEM, EACH SHALL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT. DEVELOPER AND FRANCHISOR WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO BRING, OR BE A CLASS MEMBER IN, ANY CLASS ACTION SUITS.**

(2) **DEVELOPER AND FRANCHISOR ACKNOWLEDGE AND AGREE THAT IN NO EVENT SHALL FRANCHISOR'S AGGREGATE LIABILITY TO DEVELOPER OR ANY OF ITS OWNERS UPON ANY CAUSE OF ACTION (INCLUDING, WITHOUT LIMITATION, NEGLIGENCE, STRICT LIABILITY AND OTHER ACTIONS IN CONTRACT OR TORT) ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT EXCEED THE TOTAL AMOUNT OF FEES ACTUALLY RECEIVED BY FRANCHISOR FROM DEVELOPER PURSUANT TO THIS AGREEMENT.**

E. Jury Trial Waiver. **THE PARTIES HEREBY UNCONDITIONALLY WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY AND ALL CLAIMS OR CAUSES OF ACTION ARISING FROM OR RELATING TO THEIR RELATIONSHIP. THE PARTIES**

ACKNOWLEDGE THAT A RIGHT TO A JURY IS A CONSTITUTIONAL RIGHT, THAT THEY HAVE HAD AN OPPORTUNITY TO CONSULT WITH INDEPENDENT COUNSEL, AND THAT THIS JURY WAIVER HAS BEEN ENTERED INTO KNOWINGLY AND VOLUNTARILY BY ALL PARTIES TO THIS AGREEMENT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

F. Reimbursement of Costs and Expenses. If either party brings an action to enforce this Agreement in a judicial proceeding, the party prevailing in that proceeding shall be entitled to reimbursement of costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, the cost of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred during, prior to, in preparation for, in contemplation of, or after the filing of the proceeding. If Franchisor utilizes legal counsel (including in-house counsel employed by Franchisor) in connection with any failure by Developer to comply with this Agreement, Developer shall reimburse Franchisor for any of the above-listed costs and expenses incurred by Franchisor. In any judicial proceeding, the amount of these costs and expenses will be determined by the court and not by a jury.

G. Injunctive Relief. Developer recognizes that its failure to comply with the terms of this Agreement, including, but not limited to, the failure to fully comply with all post-termination obligations, is likely to cause irreparable harm to Franchisor, its affiliates and the System. Therefore, Developer agrees that, in the event of a breach or threatened breach of any of the terms of this Agreement by Developer, Franchisor shall be entitled to injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance without showing or proving actual damages and without posting any bond or security. Any equitable remedies sought by Franchisor shall be in addition to, and not in lieu of, all remedies and rights that Franchisor otherwise may have arising under applicable law or by virtue of any breach of this Agreement.

H. Rights and Remedies Cumulative. No right or remedy conferred upon or reserved to Franchisor or Developer by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy. The provisions of this Section 20 shall survive the expiration or earlier termination of this Agreement.

21. MISCELLANEOUS

A. Gender and Number. All references to gender and number shall be construed to include such other gender and number as the context may require.

B. Captions. All captions in this Agreement are intended solely for the convenience of the parties and none shall be deemed to affect the meaning or construction of any provision of this Agreement.

C. Counterparts. This Agreement may be executed in counterparts, and each copy so executed and delivered shall be deemed an original.

D. Time. Time is of the essence of this Agreement for each provision in which time is a factor. Whenever this Agreement refers to a period of days or months, the first day or month to be counted shall be the day or month of the designated action, event or notice. Days shall be measured by

calendar days, except that if the last day of a period is a Saturday, Sunday or national holiday, the period automatically shall be extended to the next day that is not a Saturday, Sunday or national holiday.

E. Variations. Franchisor has the right, in its sole discretion, to waive, defer, or permit variations from the standards of the System or any applicable agreement to any developer, franchisee, prospective developer, or prospective franchisee based on the peculiarities of a particular site, existing building configuration or circumstance, density of population, business potential, trade area population or any other condition or circumstance. Franchisor has the right, in its sole discretion, to deny any such request Franchisor believes would not be in the best interests of the System.

F. Outsourcing by Franchisor. Franchisor may, in its sole discretion, elect to outsource and/or subcontract certain of Franchisor's obligations under this Agreement to subsidiaries, affiliates, contract employees, third party vendors, and/or other third party suppliers; provided that any such outsourcing and/or subcontracting shall not discharge Franchisor from its obligations under this Agreement.

G. Survival. Any obligation of Developer or Developer's Principal Owners that contemplates performance of such obligations after termination, expiration or Transfer shall be deemed to survive such termination, expiration or Transfer.

H. Force Majeure. No party shall be liable for any inability to perform by reason of Force Majeure (other than financial inability or insolvency) beyond their reasonable control; provided, however, that nothing herein shall excuse or permit any delay or failure: (1) to remit any payment on the date due; or (2) for more than 180 days. The party whose performance is affected by an event of Force Majeure shall, within three days of the occurrence of such event, give written notice of such Force Majeure event to the other party setting forth the nature thereof and an estimate of its duration. As used in this Agreement, the term "**Force Majeure**" means any act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), riot, epidemic, act of any government or other third party and any other cause not within the control of the party affected thereby. Franchise's inability to obtain financing (regardless of the reason) shall not constitute an event of Force Majeure.

22. REPRESENTATIONS

Developer represents, acknowledges and warrants to Franchisor (and Developer agrees that these representations, acknowledgments and warranties shall survive termination of this Agreement) that:

A. Legal and Business Rights and Risks. This Agreement involves significant legal and business rights and risks. Franchisor does not guarantee Developer's success. Developer has read this Agreement in its entirety, conducted an independent investigation of the business contemplated by this Agreement, has been thoroughly advised with regard to the terms and conditions of this Agreement by legal counsel or other advisors of Developer's choosing, recognizes that the nature of the business conducted by Fridays Restaurants may change over time, has had ample opportunity to investigate all representations made by or on behalf of Franchisor, and has had ample opportunity to consult with current and former franchisees of Franchisor. The prospect for success of the business undertaken by Developer is speculative and depends to a material extent upon Developer's personal commitment, capability and direct involvement in the day-to-day management of the business.

B. Franchisor's Acceptance of Authorized Site(s). The acceptance of one or more sites by Franchisor and its refusal to accept other sites is not a representation that the Authorized Site(s) will

achieve a certain sales volume or a certain level of profitability, or that the Authorized Site(s) will have a higher sales volume or be more profitable than a site which Franchisor did not accept. Acceptance by Franchisor merely means that the minimum criteria that Franchisor has established for identifying suitable sites for proposed Fridays Restaurants have been met. Because real estate development is an art and not a precise science, Developer agrees that acceptance or refusal to accept a proposed site by Franchisor, whether or not a site application is completed and/or submitted to Franchisor shall not impose any liability or obligation on Franchisor. The decision to develop a particular site is Developer's alone, subject to acceptance of the site by Franchisor. Preliminary acceptance of a proposed site by any representative of Franchisor is not conclusive or binding, because his or her recommendation may be rejected by Franchisor.

C. Evaluation of Authorized Site. Franchisor assumes no liability or responsibility for: (1) evaluation of an Authorized Site's soil for hazardous substances; (2) inspection of any structure on the Authorized Site for asbestos or other toxic or hazardous materials; (3) compliance with the Americans with Disabilities Act ("ADA"); or (4) compliance with any other law. It is Developer's sole responsibility to obtain satisfactory evidence and/or assurances that the Authorized Site (and any structures thereon) is free from environmental contamination and in compliance with the requirements of ADA.

D. No Representation of Developer's Success. Franchisor makes no express or implied warranties or representations that Developer will achieve any degree of success in the development or operation of the Restaurants and that success in the development and operation of the Restaurants depends ultimately on Developer's efforts and abilities and on other factors, including, but not limited to, market and other economic conditions, Developer's financial condition and competition.

E. Franchisor's Agreements with Others. Franchisor has entered, and will continue to enter, into agreements with other developers and franchisees. The manner in which Franchisor enforces its rights and the developers' and franchisees' obligations under any of those other agreements shall not affect the ability of Franchisor to enforce its rights or Developer's obligations under this Agreement.

F. Development Fee Not Refundable. The Development Fee is fully earned by Franchisor when paid and is not refundable under any circumstances.

G. Franchise Application. All information Developer provided to Franchisor in connection with Developer's franchise application and Franchisor grant to Developer of the opportunity to develop Fridays Restaurants is truthful, complete and accurate.

H. Signatories to This Agreement. The persons signing this Agreement on behalf of Developer have full authority to enter into this Agreement and the other agreements contemplated by the parties including the Franchise Agreements. Execution of this Agreement or such other agreements by Developer including the Franchise Agreements does not and will not conflict with or interfere with, directly or indirectly, intentionally or otherwise, with the terms of any other agreement with any other third party to which Developer or any person with an ownership interest in Developer is a party.

I. Financial Performance. Except in accordance with the Franchise Disclosure Document, Developer has not received from Franchisor or its affiliates or anyone acting on their behalf, any representation of Developer's potential sales, expenses, income, profit or loss.

J. No Representations Other Than Franchise Disclosure Document. Developer has not received from Franchisor or its affiliates or anyone acting on their behalf, any representations other than those contained in Fridays Franchise Disclosure Document as inducements to enter this Agreement.

K. No Actual or Apparent Authority. Even though this Agreement contains provisions requiring Developer to develop the Restaurants in compliance with the System: (1) Franchisor and its affiliates do not have actual or apparent authority to control the day-to-day conduct and operation of Developer's business or employment decisions; and (2) Developer and Franchisor do not intend for Franchisor or its affiliates to incur any liability in connection with or arising from any aspect of the System or Developer's use of the System, whether or not in accordance with Franchisor's requirements.

L. Waiver of Right to Jury Trial. In the event of a dispute between Franchisor and Developer, the parties have waived their right to a jury trial.

M. Limited Exclusivity. Developer understands that there are certain limitations to Developer's exclusive rights in the Territory during the Development Term and that, following termination or expiration of the Development Term, Franchisor may develop and operate, and license others to develop and operate, Fridays Restaurants identified in whole or in part by the name and mark "Fridays" at any location in the Development Territory.

[signature page follows]

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Agreement as of the day and year first above written.

ATTEST:

FRANCHISOR:

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Address for Notices:

TGI Fridays Franchisor, LLC
19111 North Dallas Parkway
Suite 165
Dallas, TX 75287
Attn: General Counsel

Franchisor Signature Page

[Developer]/TGIF
DEVELOPMENT AGREEMENT

ATTEST/WITNESS:

DEVELOPER:

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Address for Notices:

Address:

Email:

Fax:

Attn:

Developer Signature Page

**EXHIBIT A TO THE
TGI FRIDAYS RESTAURANT DEVELOPMENT AGREEMENT
TERRITORY**

The Territory shall be:

Developer's rights in the Territory shall be subject to the limitations described in Section 2. Any political boundaries contained in the description of the Territory shall be considered fixed as of the date of this Agreement and shall not change notwithstanding a political reorganization or a change in those boundaries. Unless otherwise specified, all street boundaries shall be deemed to include both sides of the street.

**EXHIBIT B TO THE
TGI FRIDAYS RESTAURANT DEVELOPMENT AGREEMENT**

DEVELOPMENT INFORMATION

1. Development Schedule. Developer shall develop and continue to operate a minimum of _____ Restaurants in the Territory, in accordance with the following schedule:

Site Acceptance Date	Franchise Agreement Execution Date	Opening Date	Cumulative Number of Restaurants To Be Open And Operating On The Opening Date

2. Development Fee. The Development Fee paid by Developer is \$_____.

3. Developer's Interests in Other Restaurants. _____

4. Developer's Notice Address, Facsimile Number and Email Address. _____

**EXHIBIT C TO THE
TGI FRIDAYS RESTAURANT DEVELOPMENT AGREEMENT**

LISTING OF DEVELOPER'S OWNERSHIP INTERESTS

Effective Date: This Exhibit C is current and complete as of _____.

1. Form of Ownership.

(a) Individual Proprietorship. Developer's owner(s) (is) (are) as follows:

(b) Corporation, Limited Liability Company, or Partnership. Developer is a _____ incorporated or formed on _____, under the laws of the State of _____. Developer has not conducted business under any name other than its legal entity name and _____. The following is a list, as applicable, of the Developer's partners, directors, officers and/or members as of the effective date shown above:

<u>Name of Each Director/Officer/Member/Manager</u>	<u>Position(s) Held</u>
_____	_____
_____	_____
_____	_____
_____	_____

2. Owners. The following list includes the full name of each person who is an owner of a legal or beneficial interest in Developer, and fully describes the nature of each owner's interest (attach additional pages if necessary).

<u>Name/Address/Tax Identification No.</u>	<u>Percentage/Description of Interest</u>
(a) _____ _____	_____ _____
(b) _____ _____ _____	_____ _____ _____
(c) _____ _____	_____ _____
(d) _____ _____	_____ _____

[Developer]/TGIF
DEVELOPMENT AGREEMENT

3. Representative. Developer's Representative as of the Effective Date is:_____.
4. Development Principal. Developer's Development Principal as of the Effective Date is_____.
_____. Developer may not change the Development Principal without Franchisor's prior written approval.

DEVELOPER

By:_____

Title:_____

Date:_____

**EXHIBIT D TO THE
TGI FRIDAYS RESTAURANT DEVELOPMENT AGREEMENT**

GUARANTY AND ASSUMPTION OF DEVELOPER'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of the TGI Fridays Restaurant Development Agreement dated as of _____ ("**Agreement**") by TGI Fridays Franchisor, LLC ("**Franchisor**"), entered into with _____ ("**Developer**"), _____ ("**Guarantor**"), who is an officer, director, or Principal Owner as defined in the Agreement (or the spouse of one of the foregoing), hereby executes this Guaranty and Assumption of Developer's Obligations and personally and unconditionally: (1) guarantees to Franchisor and its successors and assigns, for the Development Term of the Agreement (including extensions) and thereafter as provided in the Agreement, that Developer shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement (including any amendments or modifications of the Agreement); and (2) agrees personally to be bound by and personally liable for the breach of each and every provision in the Agreement (including any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the provisions of Sections 10 (Transfer), 12 (Covenants), 13.E (Early Termination Damages), 14 (Obligations on Termination or Expiration) and 15.B (Indemnification) of the Agreement. All capitalized terms that are not defined in this Guaranty shall have the meaning given them in the Agreement.

Guarantor waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (4) any right he may have to require that an action be brought against Developer or any other person as a condition of liability; (5) all rights to payments and claims for reimbursement or subrogation which Guarantor may have against Developer arising as a result of the execution of and performance under this Guaranty by the undersigned; (6) any law or statute which requires that Franchisor make demand upon, assert claims against or collect from Developer or any others, foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Developer or any others prior to making any demand upon, collecting from or taking any action against Guarantor with respect to this Guaranty; (7) any and all other notices and legal or equitable defenses to which he may be entitled; and (8) any and all right to have any legal action under this Guaranty decided by a jury.

Guarantor consents and agrees that: (1) Guarantor's direct and immediate liability under this Guaranty shall be joint and several, both with Developer and among other guarantors; (2) Guarantor shall render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (3) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Developer or any other person; (4) monies received from any source by Franchisor for application toward payment of the obligations under the Agreement and under this Guaranty may be applied in any manner or order deemed appropriate by Franchisor; and (5) such liability shall not be diminished, relieved or otherwise affected by any amendment of the Agreement, any extension of time, credit or other indulgence which Franchisor may from time to time grant to Developer or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims. None of the foregoing shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the Development Term (including all

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DEVELOPMENT AGREEMENT

extensions and replacements thereof and successors thereto), and for so long as any performance is or might be owed under the Agreement by Developer or any owner or guarantor, and for so long as Franchisor has any cause of action against Developer or any owner or guarantor. In addition, if Guarantor ceases to be a Principal Owner, officer or director of Developer or own any interest in Developer (or the spouse of any of the foregoing) prior to termination or expiration of the Agreement, Guarantor agrees that Guarantor's obligations under this Guaranty shall continue to remain in force and effect unless Franchisor in its sole discretion, in writing, releases Guarantor from this Guaranty. Notwithstanding the provisions of the previous sentence, unless prohibited by applicable law, the obligations contained in Section 12.C of the Agreement shall remain in force and effect for a period of one year after any such release by Franchisor. A release by Franchisor of Guarantor shall not affect the obligations of any other guarantor.

If Franchisor brings an action to enforce this Guaranty in a judicial proceeding, and Franchisor prevails in such proceeding, Franchisor shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, cost of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred during, prior to, in preparation for or in contemplation of the filing of any such proceeding. In any judicial proceeding, these costs and expenses shall be determined by the court and not by a jury.

If Franchisor utilizes legal counsel (including in-house counsel employed by Franchisor or its affiliates) in connection with any failure by Guarantor to comply with this Guaranty, Guarantor shall reimburse Franchisor for any of the above-listed costs and expenses incurred by it.

This Guaranty shall be binding upon Guarantor and Guarantor's respective heirs, legal representatives, successors and assigns. Franchisor's interests in and rights under this Guaranty are freely assignable, in whole or in part, by Franchisor. Any assignment shall not release the undersigned from this Guaranty.

The enforcement provisions of the Agreement (including, but not limited to, Section 20 (Governing Law, Forum and Limitations)) are incorporated by reference into this Guaranty and enforceable in accordance with the terms of this Guaranty. For the avoidance of doubt, this Agreement and any claim or controversy arising out of, or relating to, rights and obligations of the parties under this Agreement and any other claim or controversy between the parties shall be governed by and construed in accordance with the laws of the State of Texas without regard to conflicts of laws principles. Guarantor agrees that, to the extent any disputes cannot be resolved directly with Franchisor, Guarantor shall file any suit against Franchisor only in the state or federal court having jurisdiction in Dallas County, Texas. Franchisor may file suit in the federal or state court located in Dallas County, Texas, or in the jurisdiction where Guarantor resides or does business or where the Territory or any Restaurant is or was located or where the claim arose. Guarantor irrevocably consents to the personal jurisdiction of those courts over Guarantor and waives any objection he or she might have to either the jurisdiction of or venue in those courts.

[signature page follows]

IN WITNESS WHEREOF, the undersigned has hereunto affixed his signature, under seal.

GUARANTOR:

Date: _____ (Seal)

Print Name: _____

Address: _____

STATE OF _____ §

§

COUNTY OF _____ §

§

On this ____ day of _____, 20__, before me, the undersigned Notary Public in and for the State of _____, personally appeared _____ to me personally known who being by me duly sworn did say that s/he is the _____ of _____, a _____, executing the foregoing instrument, that the instrument was signed on behalf of said entity by authority of said entity; and s/he acknowledged the execution of the instrument to be the voluntary act and deed of said entity.

Witness my hand and official seal.

Notary Public

My commission expires: _____

**EXHIBIT E TO THE
TGI FRIDAYS RESTAURANT DEVELOPMENT AGREEMENT**

NON-DISCLOSURE AND NON-COMPETITION AGREEMENT
(OWNERS, OFFICERS, DIRECTORS & MANAGERS)

THIS NON-DISCLOSURE AND NONCOMPETITION AGREEMENT ("**Agreement**") is made this ____ day of _____, 20__, by and between _____ ("**Developer**"), and _____, who is an owner, officer, manager, supervisor, member, partner, or a person in a managerial position with, Developer ("**Member**").

BACKGROUND:

As a result of the expenditure of time, skill, effort and money, TGI Fridays Franchisor, LLC ("**Franchisor**") has developed and owns a distinctive system ("**System**") relating to the development, establishment and operation of full-service casual theme restaurants featuring a specialized menu and full bar service operating in buildings that bear Franchisor's interior and exterior trade dress under the name Franchisor or related tradenames (collectively, "**Fridays Restaurants**").

Franchisor identifies the System by means of certain names and Proprietary Marks including "TGI Fridays", "Fridays" and other names, Proprietary Marks, logos, insignias, slogans, emblems, symbols and designs (collectively "**Proprietary Marks**"), which Franchisor has designated, or may in the future designate, for use with the System. The Proprietary Marks used to identify the System, including the principal Proprietary Marks, may be modified by Franchisor and/or its affiliates from time to time.

Franchisor and Developer have executed a TGI Fridays Restaurant Development Agreement ("**Development Agreement**") granting Developer the right to develop multiple Fridays Restaurant pursuant to the terms and conditions of the Development Agreement;

Member, by virtue of his or her position with Developer, will gain access to certain of Franchisor's Confidential Information, as defined in the Development Agreement, and must therefore be bound by the same confidentiality and non-competition agreement that Developer is bound by.

NOW THEREFORE, in consideration of these premises, the conditions stated herein, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

1. Confidential Information. Member shall not, during the Development Term or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, entity, association, or corporation any confidential information, knowledge, or know-how concerning the methods of developing or operating franchised Fridays Restaurants which may be communicated to Member or of which Member may be apprised by virtue of Developer's activities under the terms of the Development Agreement. Any and all information, knowledge, know-how, and techniques which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Developer can demonstrate came to its attention prior to disclosure thereof by Franchisor; or which, at or after the time of disclosure by Franchisor to Developer, had become or later becomes a part of the public domain, through publication or communication by others.

[Developer]/TGIF
DEVELOPMENT AGREEMENT

2. Covenants Not to Compete.

(A) Member specifically acknowledges that, pursuant to the Development Agreement, and by virtue of its position with Developer, Member will receive valuable specialized training and confidential information, including, without limitation, information regarding the developmental, operational, sales, promotional, and marketing methods and techniques of Franchisor and the System.

(B) Member covenants and agrees that during the term of Member's employment with, or ownership interest in, Developer, and except as otherwise approved in writing by Franchisor, Member shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity:

(1) Divert or attempt to divert any business or customer, or potential business or customer, of any Fridays Restaurant to any competitor, by direct or indirect inducement or otherwise; or

(2) Own, maintain, operate, engage in, advise, help, make loans to, or have any interest in, either directly or indirectly, any restaurant business that offers the same or similar products and services as offered by Fridays Restaurants or restaurants in any other concept or system owned, operated, managed or franchised by Franchisor or an affiliate, including, without limitation, waiter/waitress service, sit-down dining and bar services (a "**Competing Business**").

(C) Member covenants and agrees that during the Post-Term Period (defined below), except as otherwise approved in writing by Franchisor, Member shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity, own, maintain, operate, engage in, or have any interest in a Competing Business that is, or is intended to be, located: (1) within Developer's Territory under the Development Agreement; (2) within three miles of the border of Developer's Territory; and (3) within three miles of any then-existing Fridays Restaurant operating under the System.

(D) As used in this Agreement, the term "**Post-Term Period**" shall mean a continuous uninterrupted period of two years from the date of: (1) any Transfer of an ownership interest in Member approved by Franchisor under Section 10 of the Development Agreement with respect to Member; and/or (2) termination of Member's employment with, and/or ownership interest in, Developer.

3. Injunctive Relief. Member acknowledges that any failure to comply with the requirements of this Agreement will cause Franchisor irreparable injury, and Member agrees to pay all court costs and reasonable attorney's fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Agreement.

4. Severability. All agreements and covenants contained herein are severable. If any of them, or any part or parts of them, shall be held invalid by any court of competent jurisdiction for any reason, then Member agrees that the court shall have the authority to reform and modify that provision in order that the restriction shall be the maximum necessary to protect Franchisor's and/or Developer's legitimate business needs as permitted by applicable law and public policy. In so doing, Member agrees that the court shall impose the provision with retroactive effect as close as possible to the provision held to be invalid.

5. Delay. No delay or failure by Franchisor or the Developer to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right provided herein, and no waiver of any violation of any terms and provisions of this Agreement shall be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.

6. Jurisdiction, Venue and Choice of Law. This agreement shall be interpreted in accordance with the laws of the State of Texas. Jurisdiction and venue shall be in the courts of the State of Texas or the United States District Court in Dallas County, Texas, or the state and county of the residence of Member or the location of the Restaurant, at the election of Franchisor.

7. Third-Party Beneficiary. Member hereby acknowledges and agrees that Franchisor is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with Developer.

IN WITNESS WHEREOF, the Developer and Member attest that each has read and understands the terms of this Agreement, and voluntarily signed this Agreement on this ____ day of _____, 20__.

DEVELOPER

MEMBER

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

RIDER 1

OCCUPANCY CONTRACT PROVISIONS

1. Franchise Agreement. Should the Tenant (whether by Assignment of this Lease or otherwise) at any time during the Term hereof enter, into a franchise agreement ("**Franchise Agreement**") with TGI Fridays Franchisor, LLC ("**Franchisor**") which grants certain rights to, and imposes certain duties and obligations on, Tenant, then, in connection with the Franchise Agreement and for the benefit of Franchisor, Landlord and Tenant agree to the terms and provisions of this Article [XX] notwithstanding anything to the contrary in this Lease.

2. Assignment. Without the prior written consent of Landlord and Franchisor, Tenant shall not assign this Lease or sublet all or any portion of the Premises except as contemplated by this Article [XX]. Tenant may from time to time and without Landlord's prior consent or payment of any fee or charge (whether by increased rent or otherwise), assign its right, title, and interest in this Lease to (A) Franchisor; (B) any other franchisee of Franchisor that Franchisor has pre-approved; or (C) an affiliate (as defined in Section [YY] of this Lease) of either of the foregoing (each, a "**Permitted Assignee**"), in which case (i) the Permitted Assignee shall assume in writing Tenant's obligations under this Lease ("**Permitted Assumption**") and provide to Landlord evidence thereof within twenty (20) days of the effective date of such assignment ("**Assumption Notice**"); and (ii) this Lease shall continue in full force and effect between Landlord and the Permitted Assignee, as the new "**Tenant**." In addition to the foregoing, Tenant may collaterally assign to Franchisor this Lease (using the form of collateral assignment that Franchisor requires), and upon a default under the Franchise Agreement or a Default (as hereinafter defined) under this Lease which, in either case, is not fully cured within any applicable cure period, Franchisor (as Tenant's attorney-in-fact, which power herein and therein granted is coupled with an interest and is irrevocable) may cause Tenant's right, title, and interest in this Lease to be assigned to a Permitted Assignee prior to the termination of the Term, in which event such Permitted Assignee shall deliver to Landlord an Assumption Notice. If Tenant owns or uses any permits or licenses regarding the sale of alcoholic beverages (collectively, "**Liquor License**") in which Landlord has any present, contingent, reversionary, or other interest, any assignment to a Permitted Assignee shall automatically include an assignment of such Liquor License, and Landlord shall retain the identical interest in such Liquor License that it possessed prior to such assignment. In the event of a Permitted Assumption, Tenant shall not be released of its obligations pursuant to this Lease.

3. Liability. Notwithstanding anything to the contrary in this Lease, (A) Tenant shall be solely responsible for all of Tenant's obligations under this Lease unless and until a Permitted Assumption occurs pursuant to an Assumption Notice; and (B) upon the occurrence of a Permitted Assumption, the Permitted Assignee which delivers the Assumption Notice shall also be liable for all of the obligations, duties, and liabilities of Tenant under this Lease (provided that such Permitted Assignee shall have no liability for any Defaults which are personal to Tenant and not capable of being cured by such Permitted Assignee [**Personal Defaults**]).

4. Notice and Cure; Estoppel. Simultaneously with its delivery thereof to Tenant, Landlord shall deliver to Franchisor copies of all notices and demands (each, a "**Default Notice**") concerning the occurrence of any default under this Lease or event which with the giving of notice, the passage of time, or both, would constitute a default (any such event, a "**Default**"). Upon Franchisor's receipt of a Default Notice, a Permitted Assignee shall have the right, but not the obligation, to perform any obligations or cure any Default under this Lease and exercise any election, option, or privilege conferred upon Tenant by the terms of this Lease. Landlord shall not terminate this Lease or Tenant's right of possession for any

[Developer]/TGIF
DEVELOPMENT AGREEMENT

Defaults if during any grace or cure period available to Tenant under this Lease (or thirty [30] days following Franchisor's receipt of the applicable Default Notice, if greater), a Permitted Assignee causes such Defaults (other than Personal Defaults) to be cured or if such default is not capable of being cured within such timeframe, commences to cure the same and diligently proceeds in good faith until such cure is complete, but in no event shall such extended period of time within which to effect a cure exceed sixty (60) days. Landlord and Tenant shall at any time and from time to time execute and deliver to a Permitted Assignee within fifteen (15) days following its request therefor, a written statement certifying whether this Lease is in full force and effect (or if modified, whether the same is in full force and effect as so modified), whether any conditions to the enforceability of this Lease remain unsatisfied, the dates to which rent and other charges or performances have been paid or completed, whether a Default has occurred and remains uncured (specifying any such Defaults with reasonable detail), and specifying any further information reasonably requested. Upon request by any party to this Lease, Landlord and Tenant shall execute and deliver a memorandum of lease, which the requesting party may record at its own expense.

5. Proprietary Marks; Trade Dress. Throughout the term of this Lease and subject to all applicable governmental requirements, Tenant shall have the right to use the Proprietary Marks (which, for purposes hereof, include signage) as permitted or required pursuant to the Franchise Agreement, and Franchisor shall have the right to enter the Premises to make modifications and alterations reasonably necessary or appropriate to protect the Proprietary Marks and the System. Within thirty (30) days following the expiration or earlier termination of this Lease and/or the Franchise Agreement, Tenant and/or Franchisor shall have the right to make those modifications and alterations to the Premises as may be reasonably necessary or appropriate to clearly distinguish to the public the Premises from a Fridays Restaurant; provided, however, that the party undertaking such modifications and alterations shall promptly repair all damage to the Premises caused thereby. As used herein, the terms Proprietary Marks and System shall have the meanings ascribed thereto in the Franchise Agreement. Should either Tenant or Franchisor fail to make those modifications and alterations to the Premises as may be reasonably necessary or appropriate to clearly distinguish to the public the Premises from a TGI Fridays™ restaurant (the "**Trade Dress**") within the times set forth above, Tenant and Franchisor waive any claims they may have regarding use of the Trade Dress by a subsequent user of the Premises.

6. Amendment; Copies. Landlord and Tenant shall not amend or otherwise modify this Lease in any manner which is inconsistent with the provisions of this Article [XX] without Franchisor's prior written consent, and no such amendment or modification which is inconsistent with the provisions of this Article [XX] shall be binding upon any Permitted Assignee. Landlord and Tenant shall provide Franchisor copies of all amendments, assignments, and notices of Default pertaining to this Lease. Franchisor shall be a third party beneficiary to, and be entitled to enforce, the terms and provisions of this Article [XX].

7. Notices. Solely for purposes of this Article [XX], Franchisor's address for notices required or permitted hereunder is TGI Fridays Franchisor, LLC, Attn: General Counsel, 19111 N. Dallas Parkway, Suite 165, Dallas, TX 75287 and the address for purposes of Landlord and Tenant shall be as set forth in Section [ZZ] hereof. Any party may change its address upon thirty (30) days prior written notice to the other parties.

EXHIBIT C
FRANCHISE AGREEMENT

**TGI FRIDAYS™ RESTAURANT
FRANCHISE AGREEMENT**

STORE NAME – STORE # _____

Dated: _____, _____

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TGI FRIDAYS™ RESTAURANT FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT ("**Agreement**") is made as of _____ ("**Effective Date**"), by and between TGI Fridays Franchisor, LLC, a Delaware limited liability company ("**Franchisor**"), with its principal place of business located at 19111 North Dallas Parkway, Suite 165, Dallas, Texas 75287, and _____, a _____ formed in _____ ("**Franchisee**"), with its principal place of business located at _____.

RECITALS:

As a result of the expenditure of time, skill, effort and money, Franchisor has developed and owns a distinctive system ("**System**") relating to the development, establishment and operation of full-service casual theme restaurants featuring a specialized menu and full bar service operating in buildings that bear Franchisor's interior and exterior trade dress under the name Fridays or related tradenames (collectively, "**Fridays Restaurants**").

The distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design and layout, including specially designed décor, décor, furnishings and color schemes; special recipes, menu items and full service bar; menu formats; uniform standards; procedures and techniques for food and beverage preparation and service; automated management information and control systems for inventory controls, cash controls and sales analysis; technical assistance and training through course instruction and manuals; and advertising and promotional programs. The System and its components may be changed, improved and further developed by Franchisor from time to time.

Franchisor identifies the System by means of certain names and marks (including "TGI Fridays," "Fridays" and other names, marks, logos, insignias, slogans, emblems, symbols and designs (collectively "**Proprietary Marks**"), which Franchisor has designated, or may in the future designate, for use with the System. The Proprietary Marks used to identify the System, including the principal Proprietary Marks, may be modified by Franchisor and/or its affiliates from time to time.

Franchisor has the exclusive right to use, and permit its franchisees to use, the Proprietary Marks. Franchisor continues to develop, use and control the use of these Proprietary Marks in order to identify to the public the source of services and products marketed under the Proprietary Marks and the System and to represent the System's high standards of quality, appearance and service.

Franchisee desires to obtain a license to use the System and to operate continuously one franchised Fridays Restaurant at a site accepted by Franchisor subject to the terms and conditions of this Agreement and in strict compliance with the standards and specifications established by Franchisor ("**System Standards**").

Franchisee understands and acknowledges the importance of Franchisor's high standards of quality, cleanliness, appearance, operations and service and the necessity of developing and operating the franchised Fridays Restaurant in strict conformity with this Agreement, the System Standards and the Fridays Manuals (as defined in Section 9).

Franchisor is willing to grant Franchisee a license to operate a franchised Fridays Restaurant subject to the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the mutual covenants, agreements and obligations set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. GRANT OF FRANCHISE

A. Grant.

(1) Subject to the provisions of this Agreement, Franchisor hereby grants to Franchisee the right and Franchisee accepts the obligation ("**Franchise**") to (a) continuously operate a franchised Fridays Restaurant under the System ("**Restaurant**"); (b) use, only in connection with the Restaurant, the Proprietary Marks and the System, as they may be modified, improved or further developed from time to time by Franchisor; and (c) do so only at the site accepted by Franchisor and specified in Exhibit A ("**Premises**"). Franchisee may not operate the Restaurant at any site other than the Premises and may not relocate the Restaurant without Franchisor's prior written consent, which may be withheld by Franchisor in its sole discretion. Franchisee may be required to participate in Franchisor's delivery and/or takeout programs, in which case Franchisee must make accommodations for delivery and/or takeout programs in compliance with Franchisor's standards and procedures set forth in the Manuals or otherwise in writing. Should Franchisor require Franchisee to participate in a delivery program, Franchisee will not be guaranteed a particular or exclusive delivery territory, and, should Franchisor designate a territory, it may only be on a non-exclusive basis.

(2) Unless otherwise permitted by Franchisor, Franchisee shall offer and sell only products and services previously authorized by Franchisor, and only from the Restaurant, only in accordance with the requirements of this Agreement and the procedures set forth in the Manuals, and only to retail customers for consumption on the Premises or for personal, carry-out consumption. Franchisee shall not offer or sell products or services authorized under this Agreement through any other means, including without limitation, through satellite locations, temporary locations, carts or kiosks, the Internet, or through any form of Digital Media, without the prior written approval of Franchisor, and only in accordance with Franchisor's policies as they may be developed and/or modified from time to time. As used in this Agreement, the term "**Digital Media**" means one or more related documents, applications, designs, or other communications or forms of media that can be accessed through electronic means, including, but not limited to, the Internet, the World Wide Web, the Fridays Websites (as defined in Section 8.I) or other websites, social networking sites like Facebook, Twitter, TikTok, LinkedIn, Instagram, Snapchat, YouTube, blogs, vlogs, and other applications, and any online equivalent (collectively, "**Social Media**").

(3) Franchisee may request approval from Franchisor to participate in any catering program permitted by Franchisor and provide the catering services designated by Franchisor from the Restaurant subject to Franchisee's obligation to comply with Franchisor's procedures and menu requirements, purchase all supplies, products and ingredients through Franchisor's approved and designated suppliers and otherwise follow the Manuals with respect to the catering services, which may, among other requirements, limit Franchisee to a specified geographical area for catering.

(4) Franchisee agrees that it will at all times faithfully, honestly and diligently perform its obligations under this Agreement, that it will continuously exert reasonable efforts to promote and enhance the business of the Restaurant and that it will not engage in any other business or activity that may conflict with its obligations under this Agreement, except the operation of other Fridays Restaurants or other restaurants operated by Franchisee that are franchised by Franchisor or its affiliates.

B. No Exclusivity.

This Agreement does not give Franchisee any exclusive rights to use the System or the Proprietary Marks in any geographic area. Nothing in this Agreement prohibits Franchisor from, among other things: (1) operating or licensing others to operate at any location, during or after the Initial Term (as defined in Section 2), any delivery or mobile kitchen or any type of restaurant other than Fridays Restaurants; (2) operating or licensing others to operate, during the Initial Term, Fridays Restaurants at any location other than the Premises; (3) operating or licensing others to operate, after this Agreement terminates or expires, Fridays Restaurants at any location, including the Premises; (4) merchandising and distributing goods and services identified by some or all of the Proprietary Marks through any other method or channel of distribution; and (5) purchasing, being purchased by, merging with or combining with businesses that directly or indirectly compete with Fridays Restaurants. Franchisor reserves to itself and its affiliates all rights to use and license the System and the Proprietary Marks other than those expressly granted under this Agreement.

C. Principal Owners.

Franchisee acknowledges and agrees that certain provisions of this Agreement apply to those individuals and entities who directly or indirectly hold an equity ownership interest in Franchisee of 20% or more ("**Principal Owners**"). Franchisee shall be solely and completely responsible to ensure (and cause) each Principal Owner to comply with the terms of this Agreement. Franchisee agrees that any violation of the terms of this Agreement by Franchisee's Principal Owners shall constitute a default of the terms of this Agreement. In addition, each of Franchisee's Principal Owners must personally guarantee Franchisee's obligations under this Agreement as set forth in Section 16.F.

2. TERM

A. Initial Term.

The initial term of this Agreement ("**Initial Term**") and the Franchise granted by this Agreement shall begin on the Effective Date and expire at midnight on the day preceding the 10th anniversary of the date the Restaurant first opened for business, unless this Agreement is terminated at an earlier date pursuant to Section 21. Within 30 days after the Restaurant opens, Franchisor shall complete and forward to Franchisee a notice, in a form substantially similar to attached Rider 1, to memorialize the opening date. Franchisee acknowledges that it does not have the unilateral right to cease operating the Restaurant prior to the expiration of the Initial Term.

B. Successor Terms.

(1) This Agreement and the Franchise shall not automatically renew upon the expiration of the Initial Term. Franchisee shall have an option to remain a franchisee and upon qualification for each successor grant, sign a new Franchise Agreement for each of two successor terms of five years each (each, a "**Successor Term**"). Franchisee shall give Franchisor written notice of whether or not it intends to exercise each option not less than 12 months, nor more than 24 months, before the end of each expiring term. Franchisee's failure to provide Franchisor the required notice in a timely manner constitutes a waiver by Franchisee of its option to remain a franchisee beyond the expiration of the expiring term.

(2) If Franchisee desires to continue as a franchisee for a Successor Term, Franchisee must comply with all of the following conditions prior to and at the end of each expiring initial and successor term to the satisfaction of Franchisor:

(a) Franchisee shall have timely satisfied all monetary obligations owed to Franchisor and its affiliates; Franchisee shall have operated the Restaurant and all of its other franchised Fridays Restaurants substantially in accordance with the terms of this Agreement and the standards, specifications and procedures of the System as set forth in the Manuals; Franchisee shall not be in default under this Agreement or any other agreements between Franchisee and Franchisor or its affiliates; Franchisee shall not be in default beyond the applicable cure period under any real estate lease, equipment lease or financing instrument relating to the Restaurant; Franchisee shall not be in default beyond the applicable cure period with any vendor or supplier to the Restaurant; and, for the 24 months before the date of Franchisee's notice, Franchisee shall not have been in default beyond the applicable cure period under this Agreement or any other agreements between Franchisee and Franchisor or its affiliates.

(b) Franchisee must satisfy all of Franchisor's then-current financial requirements (including the analysis of net worth, debt-to-equity ratios and capitalization) for approval of a new franchisee to the System. Franchisee must submit certified financial statements for at least the preceding fiscal year prepared by a certified public accountant, supported by income tax returns and such other documentation as is reasonably requested by Franchisor. If the individual net worth of any of Franchisee's Principal Owners is used to satisfy all or a portion of the financial requirements, the Principal Owner must submit a current certified financial statement.

(c) Franchisee shall make the capital expenditures required to renovate and modernize the Restaurant to conform to the interior and exterior designs, décor, color schemes, furnishings, equipment, signage, Computer Systems (as defined in Section 13.J), and presentation of the Proprietary Marks consistent with the image of the System for new Fridays Restaurants at the time Franchisee provides Franchisor the notice under Section 2.B(1), including such structural changes, remodeling, redecoration and modifications to existing improvements as may be necessary to do so.

(d) Franchisee and its employees at the Restaurant shall be in compliance with Franchisor's then-current training requirements.

(e) Franchisee acknowledges and agrees that the Premises may not meet Franchisor's then-current site selection standards and that Franchisee may need to relocate the Restaurant for the Successor Term(s). Franchisee must submit a site application to Franchisor for the Premises or a new site for the Restaurant and Franchisor will review that application in accordance with its then-current site selection standards and policies.

(f) Franchisee is able to maintain all licenses and permits, including but not limited to a liquor license, necessary to continue to operate the Restaurant at the Premises for the Successor Term.

(g) Franchisee, all individuals who executed this Agreement, all guarantors of Franchisee's obligations and any other individual or entity required by Franchisor shall have executed a general release and a covenant not to sue, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities.

(h) Franchisee must submit to Franchisor all standard form information and documentation reasonably requested by Franchisor as a basis for the issuance and consummation of a franchise.

(3) Within 4 months after Franchisor's receipt of Franchisee's written notice of its desire to exercise the successor option, Franchisor shall advise Franchisee whether or not Franchisor will permit Franchisee to remain a franchisee for the Restaurant for the Successor Term. If Franchisor intends to permit Franchisee to remain a franchisee for the Successor Term, Franchisor's notice will contain preliminary information regarding the actions Franchisee must take to satisfy Franchisor's site selection, remodeling, training, management and other criteria for entering into the Successor Term. If Franchisor chooses not to permit Franchisee to remain a franchisee for the Successor Term, Franchisor's notice shall specify the reasons for that decision and Franchisor shall have the right to unilaterally extend the expiring term of this Agreement as necessary to comply with any applicable laws.

(4) If Franchisee will remain a franchisee for a Successor Term, Franchisor shall forward to Franchisee a new franchise agreement for that Successor Term for Franchisee's signature. The form of successor franchise agreement for each Successor Term shall be the form then in general use by Franchisor for Fridays Restaurants (or, if Franchisor is not then granting franchises for Fridays Restaurants, that form of agreement as specified by Franchisor). Franchisee acknowledges that the terms, conditions, and provisions of the successor franchise agreement, and the obligations of the parties under that agreement, may differ substantially from the terms, conditions, provisions and obligations in this Agreement, including, without limitation, higher fees and advertising contributions. FRANCHISEE AND FRANCHISOR AGREE THAT THE ROYALTY FEE WILL BE INCREASED TO 4.5% OF GROSS SALES FOR THE FIRST SUCCESSOR TERM AND 4.75% OF GROSS SALES FOR THE SECOND SUCCESSOR TERM.

(5) Franchisee shall execute the successor franchise agreement for the Successor Term and return the signed agreement to Franchisor prior to the expiration of the expiring term, along with a successor fee. The successor fee for the first Successor Term shall be 50% of Franchisor's then-current initial franchise fee for the first Fridays Restaurant to be developed by a new franchisee. The successor fee for the second Successor Term shall be 30% of Franchisor's then current initial franchise fee for the first Fridays Restaurant to be developed by a new franchisee. The successor fee shall be in addition to, among other things, the costs and expenses that Franchisee is required to make for any capital expenditures pursuant to Section 2.B(2)(c). Failure by Franchisee to timely sign the successor franchise agreement and return it to Franchisor (along with the successor fee) shall be deemed an election by Franchisee not to remain a franchisee and shall result in expiration of this Agreement and the Franchise at the expiration of the expiring term. Provided Franchisee has timely complied with all of the conditions set forth in this Section 2.B, Franchisor shall execute the successor franchise agreement and promptly return a fully-executed copy to Franchisee. Franchisee shall be solely responsible for meeting the requirements for each Successor Term. Franchisor shall have no liability, obligations, or responsibility for any reliance or expectation damages in the event Franchisee complies with some, but not all of the foregoing requirements, or otherwise fails to meet all of the requirements set forth in this Agreement within the required timeframes.

3. SITE DEVELOPMENT PROCEDURES

Except with respect to a relocation contemplated by Section 3.E, Sections 3.A through 3.C shall not be applicable if Franchisor has accepted the Premises in writing as of the Effective Date or to the extent a Development Agreement with Franchisor and Franchisee or its affiliates is controlling.

A. Site Selection.

If the Premises have not been designated as of the Effective Date, then Franchisee must obtain Franchisor's acceptance of the site for the Restaurant from a designated market area agreed to by the parties and set forth on Exhibit A ("Site Selection Search Area") within 90 days after the Effective Date ("**Site Acceptance Period**"). Franchisor will provide Franchisee with the following site selection assistance: (1) Franchisor's site selection guidelines including two sets of Franchisor's standard plans and specifications for the construction of a prototypical Fridays Restaurant and, as Franchisee may request, a reasonable amount of consultation with respect thereto; and (2) such on-site evaluation as Franchisor may deem advisable as part of its evaluation of Franchisee's request for site acceptance. The parties acknowledge and agree that Franchisor providing its standard plans and specifications or any other activities or services to Franchisee prior to the proposed site being accepted by Franchisor shall not create any reliance or expectation damages or liability for Franchisor nor shall any such activities create any expectations or representations to Franchisee that any proposed site will be accepted by Franchisor.

B. Real Estate Site Application.

Within 45 days after the Effective Date, Franchisee shall submit to Franchisor a site application for one or more proposed sites for the Restaurant including a description of the site, a feasibility study (including, without limitation, demographic data, photographs, maps, artists' renderings, site plans, a copy of the Occupancy Contract (as defined in Section 3.D) and documentation indicating Franchisee's prospects to acquire a possessory interest in the site) and such other information related to the development of the site as Franchisor reasonably requests ("**Real Estate Site Application**"). After Franchisor receives the Real Estate Site Application, if a site meets Franchisor's site acceptance criteria, Franchisor or its designee, in Franchisor's sole discretion, may conduct an on-site evaluation of the proposed site.

C. Site Acceptance.

(1) Within 45 days after Franchisor's receipt of the Real Estate Site Application and any additional information that Franchisor may reasonably require, Franchisor shall review that information, evaluate the proposed site and advise Franchisee in writing whether it has accepted a particular site. If Franchisor does not respond within that time period, Franchisor shall be deemed to have rejected the site. It is within Franchisor's sole discretion whether to accept or reject a site. Franchisor may revoke its acceptance of a site at any time if Franchisee commits a default of this Agreement or any agreement with Franchisor or its affiliates (including any development or franchise agreement) and fails to cure that default within the applicable cure period, if any.

(2) Franchisee acknowledges that, in order to preserve and enhance the reputation and goodwill of all restaurants franchised by Franchisor and the goodwill of the Proprietary Marks, all Restaurants must be properly developed, operated and maintained in accordance with Franchisor's System Standards and specifically that Franchisor may, in its sole discretion, refuse to review or accept any site submitted by Franchisee if Franchisee has failed to meet any of the following requirements:

(a) All Fridays Restaurants operated by Franchisee and/or any of its affiliates are in good standing with all of Franchisor's operational standards at the time the Real Estate Site Application is submitted;

(b) Franchisee and any of its affiliates that operate Fridays Restaurants shall have timely paid all sums due to Franchisor under any Franchise Agreement(s) or other agreements(s)

between Franchisee and/or any of its affiliates and Franchisor and/or its affiliates for the six-month period immediately prior to submission of the Real Estate Site Application; and

(c) Franchisee and Franchisee's Principal Owners shall have submitted the Real Estate Site Application, Franchisee's proposed investment and financing plans, financial statements and any additional information required by Franchisor to demonstrate that Franchisee meets Franchisor's then current standards to develop a Restaurant, including, but not limited to, Franchisor's then-current financial and operational requirements.

D. Occupancy Contract Provisions.

(1) Franchisee shall provide to Franchisor, for its review and approval, a copy of the proposed agreement or document (including, without limitation, any lease, deed, contract for sale, contract for deed, land contract, management contract, license, or other agreement purporting to grant any right, title, or interest in or to the site) pursuant to which Franchisee shall occupy or acquire rights in the Premises ("**Draft Occupancy Contract**"; the final execution [or executed] version of the Draft Occupancy Contract, together with all amendments, consents, waivers, or other modifications made from time to time, the "**Occupancy Contract**") within 60 days after Franchisor accepts the site for the Premises. The Occupancy Contract shall not contain any covenants or other obligations that would prevent, limit or adversely affect Franchisee from performing its obligations under the Franchise Agreement. The Occupancy Contract shall be executed by all necessary parties within 30 days following Franchisor's approval. Franchisee shall furnish Franchisor a complete copy of the executed Occupancy Contract within 10 days after execution and within 30 days after written request by Franchisor.

(2) Unless waived in writing by Franchisor or unless it conveys to Franchisee fee simple title to the Premises, the Occupancy Contract shall include during the entire term thereof, including any renewal terms, the provisions set forth in Rider 3 attached hereto and incorporated herein by this reference.

(3) Notwithstanding the terms of Rider 3, Franchisee shall: (a) deliver to Franchisor, immediately after delivery to or by Franchisee, any notice of default under the Occupancy Contract which threatens or purports to terminate the Occupancy Contract or result in a foreclosure thereof; (b) permit Franchisor to enter the Premises to protect the Proprietary Marks or the System or to cure any default under the Occupancy Contract or this Agreement, all at Franchisee's expense; and (c) not amend the Occupancy Contract in any way which is inconsistent with the provisions of Rider 3.

E. Relocation.

Franchisee (1) may, if Franchisee loses the right to occupy the Premises during the Initial Term (other than as a result of default by Franchisee); and (2) shall (but not until Franchisor accepts a Real Estate Site Application regarding a given relocation site), in the event of a casualty or condemnation pursuant to which Franchisee cannot or does not rebuild or restore the Restaurant, apply to Franchisor for the right to relocate the Restaurant to another location within a three-mile radius of the Premises. Franchisee shall notify Franchisor of the termination or non-renewal of its Occupancy Contract at least 30 days in advance of Franchisee's projected last day of possession. In order for Franchisee to obtain Franchisor's approval of a relocation, at the time of the request, Franchisee must: (1) be in compliance with the terms of this Agreement and the terms of any related or successor agreement; (2) meet all of Franchisor's then-current financial, operational and other requirements and qualifications for the right to develop within the System; (3) open the Restaurant at a location selected by Franchisee and accepted by Franchisor in accordance with site selection criteria specified by Franchisor within 270 days from the

approval of the relocation; (4) pay Franchisor a non-refundable relocation review fee in the amount of \$5,000, which fee shall be due and payable when Franchisee submits the relocation request; and (5) pay to Franchisor a monthly royalty fee ("**Closure Royalty**") during the period when the Restaurant is closed equal to the average monthly royalty fee owed during the 12 months preceding the closure. If Franchisee receives business interruption insurance proceeds during the relocation process (or during any period of closure contemplated by Section 13.R(5), Franchisee shall use the same to pay the Closure Royalty. Franchisor's decision as to whether to consent to Franchisee's relocation request may be based, among other things, upon Franchisor's conclusion of the effect relocation may have on other Fridays Restaurants (whether in operation, under construction or in negotiations) in the general area of the proposed new site. Failure to relocate the Restaurant as provided in this Section after Franchisor has approved the relocation request shall constitute a default under this Agreement subject to the remedies set forth in Section 21. The Initial Term shall not be extended as a consequence of such relocation. For the avoidance of doubt, any relocation of the Restaurant shall be subject to the requirements of Sections 4 and 5.

4. CONSTRUCTION OF THE RESTAURANT

A. Restaurant Construction.

(1) Franchisee assumes all cost, liability and expense for constructing the Restaurant. As used in this Agreement, "**construction**," "**constructing**," and "**construct**" refer to development, construction, equipping, renovation, reimage, remodeling, refurbishment, conversion, relocating, and maintenance of the Restaurant, whether initially, as part of a Facilities Remodeling (as hereinafter defined), or in connection with a reconstruction following casualty or condemnation, as applicable. Franchisee shall ensure that (a) only materials satisfying the System Standards are utilized in construction; and (b) such materials are purchased from approved suppliers (as described in Section 13.B).

(2) Franchisor will furnish to Franchisee prototypical plans and specifications for the applicable construction, including general requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings, storefront and color scheme. It shall be Franchisee's responsibility to have prepared all required construction plans and specifications to suit the shape and dimensions of the Premises, and Franchisee must ensure that these plans and specifications comply with applicable ordinances, building codes and permit requirements and with lease requirements and restrictions. Upon request by Franchisee, Franchisor may make available to Franchisee, at Franchisee's expense: (a) architectural consultation and advice; (b) preparation of construction plans, specifications and drawings for the relevant construction of the Restaurant (whether made available by Franchisor or obtained solely by Franchisee, "**Plans**"); and (c) consultation and advice on the purchase, display and installation of typical décor.

(3) Franchisee shall employ (subject to Franchisor's consent) only registered architects, registered engineers, and professional and licensed contractors in the construction of the Restaurant. Prior to submission of proposed Plans to Franchisor, Franchisee, if requested by Franchisor, shall furnish Franchisor with resumes of the registered architects, registered engineers and professional and licensed contractors whom Franchisee desires to retain to prepare the Plans and construct the Restaurant, along with additional information and detail concerning their training, experience and financial responsibility as Franchisor may direct. Franchisor need not consent to Franchisee's use of the Plans, and Franchisee shall not commence construction of the Restaurant before Franchisor has consented to Franchisee's use of the registered architects, registered engineers and professional and licensed contractors who will prepare the Plans and construct the Restaurant. Upon written request from

Franchisor, Franchisee shall submit to Franchisor copies of all contracts with the architects, engineers and contractors.

(4) Franchisee shall submit the Plans to Franchisor and shall, upon Franchisor's request, submit all revised or "as-built" Plans during the course of such construction. Franchisor will approve or refuse to approve the Plans and notify Franchisee within 30 days after Franchisor receives the Plans. (Franchisor's approval shall not be unreasonably withheld.) As a condition to Franchisor's approval of the Plans, Franchisee shall deliver to Franchisor, in the form of Rider 2, a certification by a design professional of ADA compliance of the design of the Restaurant. Once Franchisor has approved the Plans, no substantial change shall be made to the Plans without the prior approval of Franchisor, which shall not be unreasonably withheld. If, in the course of construction, any such change in the Plans is contemplated, Franchisor's approval must first be obtained before proceeding. Franchisor shall approve or reject Plan changes within 10 business days after receipt.

(5) Franchisee shall not begin site preparation or any other construction prior to receiving written notification from Franchisor that Franchisor has approved the Plans. All construction must be in accordance with Plans approved by Franchisor and must comply in all respects with applicable laws, ordinances, local rules, regulations and lease requirements. The Restaurant may not open (or re-open, as applicable) if construction has not been performed in substantial compliance with Plans approved by Franchisor, and this Agreement may be terminated if such non-compliance is not cured within a commercially reasonable amount of time (not to exceed 30 days). Franchisor may, in its sole discretion, furnish guidance to Franchisee in constructing the Restaurant and may periodically inspect the Premises during its construction.

(6) During the course of construction, Franchisee shall, at all times, have a project manager to oversee construction ("**Project Manager**"). Not less than 60 days prior to the commencement of construction, Franchisee shall designate a Project Manager and, before construction commences, the Project Manager shall attend any training required by Franchisor. Any replacement Project Manager shall be designated within 10 days after the prior Project Manager's resignation or termination.

(7) Franchisee shall obtain all zoning classifications, clearances, consents, permits and licenses required in connection with the construction and operation of the Restaurant. Upon request, copies of such permits and licenses shall be provided to Franchisor.

B. Construction.

(1) For the initial construction of the Restaurant, Franchisee shall commence construction within six months from the date of Franchisor's site acceptance for the Premises and shall complete construction and open the Restaurant no later than 11 months thereafter ("**Opening Deadline**"). After the Opening Date, any construction at the Restaurant shall be conducted in accordance with System Standards and pursuant to any timeline required by Franchisor (including the date for closing [if applicable], substantial and final completion dates and the re-opening date).

(2) Prior to the commencement of construction, Franchisee shall have provided Franchisor a copy of the fully executed Occupancy Contract for the Premises. Construction shall be deemed to have been commenced upon the commencement of construction-related work. Franchisee shall, within 10 days after commencement of construction, advise Franchisor of such commencement date.

(3) Once construction has commenced, it shall continue uninterrupted except for interruption by reason of events constituting Force Majeure (as defined in Section 30.G) until completed. Notwithstanding the occurrence of any events, except events constituting Force Majeure, initial construction of the Restaurant as a TGI Fridays™ restaurant (if applicable) shall be completed, and the Restaurant shall be furnished, equipped and shall otherwise be ready to open for business in accordance with this Agreement not later than Opening Deadline. If events constituting Force Majeure cause a delay in the commencement of initial construction of the Restaurant, Franchisor shall proportionately extend the Opening Deadline for the Restaurant.

(4) Franchisee agrees, at its sole expense, to do, or cause to be done, the following (which shall occur by the Opening Deadline, if applicable):

- (a) Secure all financing required to construct and operate the Restaurant;
- (b) Obtain and maintain all required building, utility, sign, health, sanitation, business, liquor and other permits and licenses applicable to the Restaurant. Upon Franchisor's request, Franchisee must promptly provide a copy of any such licenses and permits to Franchisor;
- (c) Construct all required improvements to the Premises and decorate the exterior and interior of the Restaurant in compliance with the Plans approved by Franchisor;
- (d) Purchase or lease and install all specified and required fixtures, equipment, furnishings and interior and exterior signs required for the Restaurant; and
- (e) Purchase an opening inventory for the Restaurant of only authorized and approved products and other materials and supplies.

C. Acquisition of Necessary Furnishings, Fixtures and Equipment.

(1) Franchisee agrees to use in the development and operation of the Restaurant only the fixtures, furnishings (including décor), equipment and signs that Franchisor has approved for Fridays Restaurants as meeting its specifications and standards for quality, design, appearance, function and performance. Franchisee further agrees to place or display at the Restaurant (interior and exterior) only those signs, emblems, lettering, logos and display materials that Franchisor approves in writing from time to time.

(2) Franchisee shall purchase or lease approved brands, types or models of fixtures, furnishings, equipment and signs only from suppliers designated or approved by Franchisor, which may include Franchisor. Franchisee acknowledges that Franchisor may (a) profit from its sale of such items to Franchisee or (b) receive consideration from the third party supplier with respect to Franchisee's purchases of such items. If Franchisee proposes to purchase, lease or otherwise use any fixtures, furnishings, equipment or signs which have not been approved by Franchisor, Franchisee shall first notify Franchisor in writing and shall, at Franchisee's sole expense, submit to Franchisor upon Franchisor's request sufficient specifications, photographs, drawings and/or other information or samples for Franchisor to determine whether those fixtures, furnishings, equipment and/or signs comply with Franchisor's specifications and standards. Franchisor will, in its sole discretion, approve or disapprove the items and notify Franchisee within 30 days after Franchisor receives the request.

(3) If Franchisee constructs any portion of the Restaurant outside of Franchisor's specifications without receiving Franchisor's prior written consent, Franchisor shall have the right to

delay the opening (or re-opening, as applicable) of the Restaurant until Franchisee, at its sole expense, brings the Restaurant's construction within full compliance of Franchisor's specifications.

D. Inspection, Cooperation.

During the course of construction, Franchisee shall (and shall cause Franchisee's architect, engineer, contractors, and subcontractors to) cooperate fully with Franchisor and its designees for the purpose of permitting Franchisor and its designees to inspect the Premises and the course of construction of the Restaurant in order to determine whether construction is proceeding according to the Plans. Without limiting the generality of the foregoing, Franchisee and Franchisee's architect, engineer, contractors and subcontractors shall: (1) supply Franchisor or its designees with samples of construction materials, test borings, corings, due diligence environmental studies, supplies, equipment and other material and reports, if any such tests, studies or reports indicate there may be material problems or as Franchisor or its designees may request; and (2) afford Franchisor representatives and its designees access to the Premises and to the construction work in order to permit Franchisor and its designees to carry out their inspections.

E. Reports.

If requested by Franchisor, Franchisee shall submit to Franchisor, on or before the first day of each month (or more frequently if Franchisor requests), a report with photographs showing progress made in connection with the construction of the Restaurant.

5. OPENING OF THE RESTAURANT

A. Final Inspection and Opening.

Franchisee shall notify Franchisor in writing at least 30 days prior to the date Franchisee expects construction to be completed and a certificate of occupancy to be issued. If requested by Franchisor, Franchisee shall submit a copy of the certificate of occupancy to Franchisor. Franchisor reserves the right, after receiving Franchisee's notice, to conduct a final inspection of the Restaurant to determine if Franchisee has complied with this Agreement. Franchisor shall not be liable for delays or loss occasioned by its inability to complete its investigation and to make a determination within this period. Franchisee shall not open the Restaurant for business without Franchisor's express written authorization, which will not be granted unless Franchisee has satisfied the conditions contained in Section 5.B.

B. Right to Open (or Re-Open) the Restaurant.

For initial construction, Franchisee must open the Restaurant by the Opening Deadline. Except for a conditional opening pursuant to Section 5.C, Franchisor will not authorize the opening or re-opening (as applicable) of the Restaurant unless all the following conditions have been met:

(1) Franchisee is not in material default under this Agreement or any other agreements with Franchisor; Franchisee is not in default beyond the applicable cure period under any real estate lease, equipment lease or financing instrument relating to the Restaurant; Franchisee is not in default beyond the applicable cure period with any vendor or supplier to the Restaurant; and for the previous six months, Franchisee has not been in default beyond the applicable cure period under any agreement with Franchisor;

(2) Franchisee is current on all obligations due Franchisor and its affiliates and Franchisee has signed all documents required by Franchisor including those necessary to participate in Franchisor electronic funds transfer program;

(3) Franchisor is satisfied that the Restaurant was constructed substantially in accordance with the Plans approved by Franchisor, this Agreement and state and local codes. Franchisee must deliver to Franchisor, in the form of attached Rider 2, a certification by the construction contractor of ADA compliance of the actual construction of the Restaurant;

(4) Franchisor has received a copy of the fully executed Occupancy Contract;

(5) Franchisee has obtained a liquor license authorizing the sale of alcoholic beverages at the Restaurant;

(6) Franchisee has obtained a certificate of occupancy and any other required health, safety or fire department certificates;

(7) Franchisee has certified to Franchisor in writing that the installation of all items of furnishings, fixtures, equipment, signs, the Computer System and related equipment, supplies and other items has been accomplished in accordance with the System Standards;

(8) An adequate number of Franchisee's managers as determined by Franchisor in its sole discretion have attended, successfully completed and become "validated" in the Management Training Program; and

(9) Franchisor has been furnished with copies of all insurance policies required by Section 15 or such other evidence of insurance coverage and payment of premiums as Franchisor reasonably may request.

C. Conditional Opening or Re-Opening.

Franchisor may conditionally authorize Franchisee to open or re-open and operate the Premises as a Fridays Restaurant, even though Franchisee has not fully complied with the terms of this Agreement, if Franchisee agrees to fulfill all remaining terms of this Agreement on or before a date specified by Franchisor. Franchisor's determination as to whether to authorize a conditional opening or re-opening shall be final and binding and shall be made in its sole discretion based upon those factors that Franchisor deems relevant, including its determination that a conditional opening or re-opening will not be injurious to the reputation of the System or the public health and safety. If Franchisee fails to timely fulfill all remaining terms of this Agreement, Franchisor may terminate this Agreement by providing written notice to Franchisee without opportunity to cure.

6. FEES

A. Initial Franchise Fee.

By no later than the execution of this Agreement, Franchisee shall pay to Franchisor an Initial Franchise Fee in the amount specified in Exhibit A. Franchisee acknowledges and agrees that the Initial Franchise Fee is fully earned by Franchisor when paid and is not refundable.

B. Royalty Fee.

In addition to all other amounts to be paid by Franchisee to Franchisor, Franchisee shall pay Franchisor a nonrefundable and continuing Royalty Fee in an amount equal to 4% of the Gross Sales (as defined below) of the Restaurant, for the right to use the System and the Proprietary Marks at the Premises ("**Royalty Fee**"). If, due to federal, state or local laws, Franchisor is prohibited from receiving a percentage royalty based on alcoholic beverage sales, gambling device revenues or other similar percentage payouts, Franchisee shall pay Franchisor a Royalty Fee on all Gross Sales except these alcoholic beverage sales, gambling device and/or other revenues in the same dollar amount as would have been paid if Franchisee paid the specified Royalty Fee percentage on all Gross Sales. If any taxes, fees or assessments are imposed on Franchisor by reason of its acting as franchisor or licensing the Proprietary Marks under this Agreement, Franchisee shall reimburse Franchisor for the amount of those taxes, fees or assessments within 30 days after receipt of an invoice from Franchisor.

C. Gross Sales.

(1) "**Gross Sales**" shall include the entire amount of the actual sales price, whether for cash, credit, check or other consideration, of all sales of food, beverages, merchandise, promotional items and services at or from the Restaurant, including, but not limited to, the following: (a) revenues from dine-in, carry-out, delivery, banquets, catering or otherwise; (b) electronic, mail, facsimile or telephone orders received or filled from the Restaurant; (c) commissions on telephone, video, game machine and vending machine revenues; (d) commissions on lotteries or legal games of chance (except to the extent prohibited by applicable law); (e) cover charges and entertainment fees; (f) stored value gift cards and gift certificates (when redeemed, but not when purchased, however, Franchisor reserves the right to change the method of accounting and collection for stored value gift cards and gift certificates sales upon six (6) month's prior written notice to Franchisee); (g) all deposits not refunded to purchasers; (h) payments to Franchisee by any manufacturer, vendor, distributor or concessionaire, franchisee or person other than bona fide rebates and volume discounts; and (i) promotional allowances to customers whether negative or positive in an amount equal to Franchisee's retail price for food and/or beverages prepared and served by Franchisee to the extent of the discount (in whole or in part) provided to the customers, but only to the extent that said amount for promotional allowances exceeds 1.5% of Gross Sales as calculated without inclusion of said amount. Such promotional allowances shall include the retail price of food and beverages covered by appetizer and dinner cards and the customer comp cards to which Franchisor gives consent. Promotional allowances provided in exchange for goods or services shall be includable in Gross Sales without benefit of the 1.5% discount. Funds expended by Franchisee to comply with its Local Store Marketing requirement pursuant to Section 8.G shall not be included as promotional allowances under this section.

(2) Gross Sales shall not include: (a) the amount of returns to shippers or manufacturers; (b) the amount of any cash or credit refunds made upon any sale where the food, beverages, merchandise or service sold or some part thereof is thereafter returned by the customer and accepted by Franchisee; (c) receipts from sales of furniture, trade fixtures or other extraordinary sales (unless bearing any Proprietary Mark) not made in the ordinary course of business; (d) any sales or value added tax required by any duly constituted taxing authority to be separately accounted for and collected on its behalf by Franchisee directly from Franchisee's customers and paid by Franchisee to the taxing authority; and (e) meals served to an employee at no cost while the employee is on duty, or the discounted portion of meals served to an employee. Each charge or sale upon installment or credit shall be treated as a sale for the full price in the month during which such charge or sale shall be made, irrespective of whether, or of the time when, Franchisee shall receive payment (whether full or partial) thereof.

D. Advertising Contributions and Expenditures. Franchisee also shall spend and/or contribute for advertising. The exact amount to be spent and/or contributed by Franchisee for advertising and promotional activities, and the allocation of the advertising contributions and expenditures, as of the Effective Date, is set forth in Section 8 and Exhibit B as such may change from time to time in accordance with Section 8.

E. Gross Sales Remittance Reports and Payment of Fees.

(1) Within seven days after the end of each fiscal period (which for purposes of this Agreement, may be a month, a week, or other accounting period as defined and prescribed by Franchisor from time to time in the Manuals), Franchisee shall: (a) report to Franchisor the amount of Gross Sales from the Restaurant and showing itemized deductions and exclusions from Gross Sales for the Restaurant during the preceding fiscal period, provide such other information as Franchisor may require and; (b) pay Franchisor (by check, electronic funds transfer or such other form or method as Franchisor may designate) the Royalty Fee and advertising contributions applicable to the Gross Sales. The Gross Sales remittance reports shall be in writing or such other form or method as Franchisor may designate including transmittal by direct Internet connection with Franchisor, polling by Franchisor of Franchisee's Computer System, facsimile transmission, telephone, electronic data communications, or any other method that Franchisor may reasonably direct. Franchisee also shall submit an annual accounting of Gross Sales to Franchisor within 30 days after the end of each accounting year.

(2) Upon receipt of written notice from Franchisor, Franchisee must pay the Royalty Fees, advertising contributions and all amounts owed to Franchisor under this Agreement, including interest charges, by electronic funds transfer. In connection with payment of these fees by electronic funds transfer, Franchisor may designate a day for payment ("**Due Date**") different than that provided in Section 6.E(1) above. On each Due Date, Franchisor will transfer from the Restaurant's commercial bank operating account ("**Account**") the amount reported to Franchisor in Franchisee's remittance report or determined by Franchisor based on the records contained in Franchisee's Computer System. If Franchisee has not reported Gross Sales to Franchisor for any fiscal period, Franchisor will transfer from the Account an amount calculated in accordance with its estimate of the Gross Sales during the fiscal period. If, at any time, Franchisor determines that Franchisee has underreported the Gross Sales of the Restaurant, or underpaid the Royalty Fees, advertising contributions or other amounts due to Franchisor under this Agreement or any other agreement, Franchisor shall initiate an immediate transfer from the Account in the appropriate amount in accordance with the foregoing procedure, including interest as provided in this Agreement. Any overpayment will be credited to the Account effective as of the first reporting date after Franchisor and Franchisee determine that such credit is due.

(3) In connection with payment of amounts owed by electronic funds transfer, Franchisee shall: (a) comply with procedures specified by Franchisor in the Manuals or otherwise in writing; (b) perform those acts and sign and deliver those documents (including the ACH Authorization form as such form may change from time to time attached as Exhibit E) as may be necessary to accomplish payment by electronic funds transfer; (c) designate the Account and furnish to Franchisor an authorization in the form designated by Franchisor to initiate debit entries and/or credit correction entries to the Account for payments of the Royalty Fees, advertising contributions and other amounts payable under this Agreement, including any interest charges; and (d) make sufficient funds available in the Account for withdrawal by electronic funds transfer no later than the Due Date for payment thereof. Failure by Franchisee to have sufficient funds in the Account shall constitute a default of this Agreement pursuant to Section 21.C(2).

(4) Notwithstanding the provisions of this Section 6.E, Franchisor reserves the right to modify, at its option, the method by which Franchisee pays the Royalty Fees, advertising contributions and other amounts owed under this Agreement, including interest charges, upon Franchisee's receipt of written notice from Franchisor.

F. Late Charges and Interest.

Any payment or report not actually received by Franchisor on or before the date due shall be deemed as late. To compensate Franchisor for the increased administrative expense of handling late payments and reports, Franchisee shall pay a \$500 late fee to Franchisor for each delinquent payment or report, due upon making the delinquent payment or submitting the delinquent report. In addition to paying the late charge, Franchisee shall pay Franchisor interest on the amount owed from the date due until paid at the maximum rate permitted for indebtedness of this nature in the state in which the Restaurant is located, not to exceed 1.5% per month or a portion of a month. Payment of interest by Franchisee on past due obligations is in addition to all other remedies and rights available to Franchisor pursuant to this Agreement or under applicable law.

G. Partial Payments.

No payment by Franchisee or acceptance by Franchisor of any monies under this Agreement for a lesser amount than due shall be treated as anything other than a partial payment on account. Franchisee's payment of a lesser amount than due with an endorsement, statement or accompanying letter to the effect that payment of the lesser amount constitutes full payment shall be given no effect, and Franchisor may accept the partial payment without prejudice to any rights or remedies it may have against Franchisee. Acceptance of payments by Franchisor other than as set forth in this Agreement shall not constitute a waiver of Franchisor's right to demand payment in accordance with the requirements of this Agreement or a waiver by Franchisor of any other remedies or rights available to it pursuant to this Agreement or under applicable law. Notwithstanding any designation by Franchisee, Franchisor shall have sole discretion to apply any payments by Franchisee to any of its past due indebtedness for Royalty Fees, advertising contributions, purchases from Franchisor or its affiliates, interest or any other indebtedness. Franchisor has the right to accept payment from any other entity as payment by Franchisee. Acceptance of that payment by Franchisor will not result in that other entity being substituted for Franchisee.

H. Collection Costs and Expenses.

Franchisee agrees to pay to Franchisor on demand any and all costs and expenses incurred by Franchisor in enforcing the terms of this Agreement, including, without limitation, collecting any monies owed by Franchisee to Franchisor. These costs and expenses include, but are not limited to, costs and commissions due a collection agency, reasonable attorneys' fees (including attorneys' fees for in-house counsel employed by Franchisor or its affiliates and any attorneys' fees incurred by Franchisor in bankruptcy proceedings), costs incurred in creating or replicating reports demonstrating Gross Sales of the Restaurant, court costs, expert witness fees, discovery costs and reasonable attorneys' fees and costs on appeal, together with interest charges on all of the foregoing.

I. No Offset.

Franchisee shall not withhold or off-set any portion of any payment due to Franchisor's alleged non-performance under this Agreement or any other agreement by and between Franchisor and Franchisee or their respective parent corporations, subsidiaries or affiliates.

7. RECORDKEEPING AND REPORTS

A. Recordkeeping.

Franchisee agrees to use computerized cash and data capture and retrieval systems that meet Franchisor's specifications and to record sales of the Restaurant electronically or on tape for all sales at or from the Premises. Franchisee shall keep and maintain, in accordance with any procedures set forth in the Manuals, complete and accurate books and records pertaining to the Restaurant sufficient to fully report to Franchisor. Franchisee's books and records shall be kept and maintained using generally accepted accounting principles ("**GAAP**"), if Franchisee uses GAAP in any of its other operations, or using other recognized accounting principles applied on a consistent basis which accurately and completely reflect the financial condition of Franchisee. Franchisee shall preserve all of its books, records and state and federal tax returns for at least five years after the later of preparation or filing (or such longer period as may be required by any governmental entity) and make them available and provide duplicate copies to Franchisor within five days after Franchisor's written request. Franchisee shall adopt such accounting periods as Franchisor prescribes in writing.

B. Quarterly Reports.

Within 30 days after the end of each fiscal quarter (as defined by Franchisor from time to time) during each fiscal year (as defined by Franchisor from time to time), Franchisee shall, at Franchisee's expense, submit to Franchisor, in the form prescribed by Franchisor (all of which may be unaudited), on both a Restaurant unit level as well as a separate consolidated basis with any other Fridays Restaurants owned by Franchisee or Franchisee's affiliates, the following: (1) a quarterly and year-to-date profit and loss statement; and, (2) a quarterly and year-to-date balance sheet; and, (3) a quarterly and year-to-date cash flow statement; and (4) financial statements, including profit and loss statements, a balance sheet and cash flow statement for all related entities, affiliates, or organizations that have any shared or commingled debt, assets, or other dependent financial interests with Franchisee. It is acknowledged by Franchisee that as part of Franchisee's disclosures, Franchisor is entitled to the information, details and specific data related to Franchisee's financing structure, debt schedule, real estate interests and related assets, distributions, dividends, capital expenditures, sales slips, coupons, purchase orders, invoices, payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, journals and ledgers, periodic guest counts, affiliates and such other information as Franchisor may require. Franchisor shall have the right, to be exercised in its sole discretion, to require that Franchisee provide Franchisor with profit and loss statements, balance sheets, and cash flow statements or other financial information listed above at other times requested by Franchisor. Each statement and balance sheet shall be signed by Franchisee or by Franchisee's treasurer or chief financial officer attesting that it is true, correct and complete and uses accounting principles applied on a consistent basis which accurately and completely reflect Franchisee's financial condition.

C. Annual Reports.

At Franchisor's request, Franchisee shall, at its expense, provide to Franchisor: (1) either a reviewed or audited profit and loss statement and balance sheet for the Restaurant within 60 days after the end of each fiscal year to be signed by Franchisee or by Franchisee's treasurer or chief financial officer attesting that the financial statements present fairly the financial position of Franchisee and the results of operations of the Restaurant during the period covered; (2) financial statements, including profit and loss statements, a balance sheet and cash flow statement for all related entities, affiliates, or organizations that have any shared or commingled debt, assets, or other dependent financial interests with Franchisee; and (3) income tax statements of every Principal Owner. Franchisor shall have the right, in its reasonable

discretion, to require that Franchisee, at Franchisee's expense, submit audited financial statements prepared by a certified public accounting firm acceptable to Franchisor for any fiscal year or any period or periods of a fiscal year.

D. Other Reports.

Franchisee shall submit to Franchisor, for review or auditing, such additional reports, records, data, information and financial statements as Franchisor may reasonably designate, in the form and at the times and places reasonably required by Franchisor, upon request and as specified from time to time in the Manuals or otherwise in writing.

E. Data.

All data provided by Franchisee in any form, and whether required by this Section 7 or any other requirement under the System or in the Manuals, including data uploaded to Franchisor computer system from the Franchisee's Computer System and/or downloaded from Franchisor computer system to the Franchisee's Computer System, is and will be owned exclusively by Franchisor, including without limitation, Customer Data (described in Section 13.L), customer lists, any and all loyalty program data and customer lists and e-mail lists, and Franchisor will have the right to use such data in any manner that Franchisor deems appropriate without compensation to Franchisee. In addition, all other data created or collected by Franchisee in connection with the System, or in connection with Franchisee's operation of the Restaurant (including but not limited to consumer and transaction data), is and will be owned exclusively by Franchisor during the Initial Term and following termination or expiration of this Agreement. Copies and/or originals of such data must be provided to Franchisor upon Franchisor's request. Franchisor hereby licenses use of such data back to Franchisee, at no additional cost, solely for the Initial Term and solely for Franchisee to use in connection with the operation of the Restaurant. Franchisor may use all such information, data, and reports in any manner, including, without limitation, providing financial and operating reports to franchisees and operators operating under the System.

F. Public Filings.

If Franchisee is or becomes a publicly-held entity in accordance with other provisions of this Agreement, Franchisee shall send to Franchisor copies of all reports (including responses to comment letters) or schedules that Franchisee may file with the U.S. Securities and Exchange Commission (certified by Franchisee's chief executive officer to be true, correct, complete and accurate) and copies of any press releases it may issue, within 3 days of the filing of those reports or schedules or the issuance of those releases.

G. Audit Rights.

(1) Franchisor or its designee shall have the right at all reasonable times, both during and after the Initial Term, to inspect, copy and audit Franchisee's books, records, and federal, state and local tax returns, and such other forms, reports, information and data as Franchisor reasonably may designate, applicable to the operation of the Restaurant. If an inspection or audit discloses an understatement of Gross Sales, Franchisee shall pay Franchisor, within 10 days after receipt of the inspection or audit report, the deficiency in the Royalty Fees, advertising contributions and other amounts owed plus interest (at the rate and on the terms provided in Section 6.F) from the date originally due until the date of payment.

(2) If an inspection or audit is made necessary by Franchisee's failure to furnish reports or supporting records as required under this Agreement, or to furnish such reports, records or information on a timely basis, or if an understatement of Gross Sales for the period of any audit is determined by any audit or inspection to be greater than 1% or an underpayment of the Royalty Fee of 5% or more, Franchisee also shall reimburse Franchisor for the reasonable cost of the audit or inspection including, without limitation, the charges of attorneys and independent accountants, and the travel expenses, room, board and compensation of Franchisor employees or designees involved in the audit or inspection.

(3) If an inspection or audit discloses an understatement of the Gross Sales of the Restaurant for any period by 1% or more three or more times during any 18 month period, or by more than 3% on any one occasion, then in addition to Franchisee's obligations in Sections 7.G(1) and (2) above, Franchisor may immediately terminate this Agreement.

(4) If Franchisee fails to provide Franchisor on a timely basis with the records, reports and other information required by this Agreement or, upon request of Franchisor, with copies of the same, Franchisor or its designee shall have access at all reasonable times (and as often as necessary) to Franchisee's books and records for the purpose, among other things, of preparing the required records, reports and other information. Franchisee promptly shall reimburse Franchisor or its designee for all costs and expenses associated with Franchisor obtaining such records, reports or other information.

(5) The foregoing remedies shall be in addition to all other remedies and rights available to Franchisor under this Agreement or applicable law.

8. ADVERTISING AND PROMOTION

A. Marketing Contributions and Expenditures.

(1) This Section 8 describes Franchisor's marketing, public relations and advertising programs; however, Franchisor reserves the right to modify these programs and the manner in which the marketing and advertising funds are used for such purposes from time to time, in whole or in part, as Franchisor deems necessary. Franchisee acknowledges and recognizes the importance of the standardization of advertising programs to the furtherance of the goodwill and public image of the System and the Proprietary Marks. During the Initial Term of this Agreement, Franchisee shall pay an advertising and promotion obligation ("**APO**") in an amount of up to 5% of the Gross Sales of the Restaurant as set forth in this Section 8 and Exhibit B. Franchisee shall pay that portion of the APO as directed by Franchisor to the National Advertising Fund in accordance with Section 8.C and to a Regional Advertising Fund or a Regional Co-op in accordance with Section 8.D or 8.E at the time and in manner as directed by Franchisor. The remainder of Franchisee's APO shall be spent for Local Store Marketing in accordance with Section 8.G.

(2) Franchisor has the right, following written notice to Franchisee, to reallocate the APO and to increase the APO; however Franchisor may not increase the APO above 5% of Gross Sales. This limitation on Franchisor does not prevent the Restaurant's Regional Co-op from requiring a contribution, that when added to Franchisee's National Advertising Fund contribution, results in a total APO in excess of 5% of Gross Sales.

B. Grand Opening Required Spending.

Franchisee shall, during the period beginning 30 days before the scheduled opening of the Restaurant and continuing for 90 days after the Restaurant first opens for business ("**Grand Opening Period**"), spend at least \$15,000 to conduct grand opening advertising in accordance with Franchisor Local Store Marketing Guidelines (as defined in Section 8.G and Exhibit C). At least 90 days prior to the opening of the Restaurant, Franchisee must submit to Franchisor a proposal for grand opening advertising ("**Grand Opening Plan**"). Franchisee shall not implement the Grand Opening Plan unless and until Franchisor has consented to the Grand Opening Plan in writing. Franchisee agrees to modify the Grand Opening Plan as requested by Franchisor and, thereafter, no substantial changes shall be made to the Grand Opening Plan without the advance written consent of Franchisor. Within 10 days after the end of the Grand Opening Period, Franchisee shall submit to Franchisor proof of such grand opening advertising expenditures to Franchisor. During the Grand Opening Period, Franchisee must contribute to the National Advertising Fund and a Regional Advertising Fund or Regional Co-op (if established in the area where the Restaurant is located); however, Franchisee's obligation to make Local Store Marketing expenditures pursuant to Section 8.G below will not commence until after the expiration of the Grand Opening Period.

C. National Advertising Fund.

(1) Franchisor formed a non-profit corporation, Fridays Marketing Advisory Council ("**FMAC**") to administer a national advertising fund for Fridays Restaurants ("**National Advertising Fund**"). At the same time and in the same manner as Franchisee pays its Royalty Fees to Franchisor, Franchisee shall contribute to the National Advertising Fund in the amount set forth in Exhibit B, as such may be subsequently modified by Franchisor pursuant to Section 8.A(2). Fridays Restaurants operated by Franchisor and its affiliates shall contribute to the National Advertising Fund on the same basis as comparable franchisees.

(2) FMAC or its successor shall direct all advertising, marketing, and public relations programs and activities financed by the National Advertising Fund, with sole discretion over the creative concepts, materials and endorsements used in those programs and activities, and the geographic, market and media placement and allocation of advertising and marketing materials. Franchisee agrees that the National Advertising Fund may be used among other things to pay the costs of preparing and producing such associated materials and programs as Franchisor or its designee may determine, including, but not limited to, the following: (a) creative development and production of print ads, commercials, radio spots, electronic ads, point of purchase materials, direct mail pieces, door hangers, and other advertising and marketing materials; (b) creative development, preparation, production and placement of video, audio, and written materials and electronic media; (c) media placement and buying, including all associated expenses and fees; (d) administering local, regional and/or multi-regional marketing and advertising programs including the hiring of personnel or services; (e) market research, new product testing and marketing, and customer satisfaction surveys, including the use of secret shoppers; (f) the creative development of, and actual production associated with, premium items, giveaways, promotions, contests, public relation events, and charitable or nonprofit events; (g) creative development of menus, signage, posters, and individual Fridays Restaurant décor items including wall graphics and signage; (h) Digital Media, Extranet and/or Intranet development and maintenance as well as mobile creative, technology and other emerging digital initiatives; (i) development, implementation, and maintenance of an electronic commerce website and/or related strategies; (j) development and implementation of search engine optimization strategies; (k) development and administration of consumer surveys, interviews and other customer satisfaction and retention policies; (l) retention and payment of advertising and marketing agencies and other outside advisors including retainer and management fees; (m) co-branding or licensing

programs; (n) public relations and community involvement activities and programs; and (o) gift card and loyalty programs. From time to time, Franchisor or its designee may furnish Franchisee with marketing, advertising and promotional materials at the cost of producing them, plus any related shipping, handling and storage charges. Franchisee shall not modify any of these materials without Franchisor's prior written consent.

D. Regional Advertising Funds.

(1) Franchisor shall have the right, in its sole discretion, to establish one or more regional advertising funds for Fridays Restaurants ("**Regional Advertising Funds**"). If a Regional Advertising Fund is established for a geographical area that includes the Premises, at the same time and in the same manner as Franchisee pays its Royalty Fees to Franchisor, Franchisee shall contribute to that Regional Advertising Fund in the amount set forth in Exhibit B, as subsequently modified by Franchisor. Fridays Restaurants operated by Franchisor and its affiliates in an area covered by a Regional Advertising Fund shall contribute to the Regional Advertising Fund on the same basis as comparable franchisees.

(2) Franchisor or its designee shall direct all advertising, marketing, and public relations programs and activities financed by the Regional Advertising Fund, with sole discretion over the creative concepts, materials and endorsements used in those programs and activities, and the geographic, market and media placement and allocation of advertising and marketing materials. Franchisee agrees that the Regional Advertising Fund may be used to pay the costs of preparing and producing such associated materials and programs as Franchisor or its designee may determine, including video, audio and written advertising materials; employing advertising agencies; sponsorship of sporting, charitable or similar events; administering regional and multi-regional advertising programs, including, without limitation, purchasing direct mail and other media advertising and employing advertising agencies to assist with these efforts; and supporting public relations, market research and other advertising, promotional and marketing activities. Franchisee agrees to participate in all advertising, marketing, promotions, research and public relations programs instituted by the Regional Advertising Fund.

E. Regional Co-op.

(1) In lieu of a Regional Advertising Fund for the area that includes the Premises, Franchisor, in its sole discretion, may establish (or permit the franchisees in the relevant geographic area to establish) a Regional Co-op. Franchisee shall contribute to the Regional Co-op in the amount and at the times set by the Regional Co-op, which will be reflected in Franchisee's APO on Exhibit B. Franchisor, if it so elects, may prepare bylaws to be used by the Regional Co-op and may require the Regional Co-op to incorporate.

(2) Monies in the Regional Co-op may be spent for the purposes determined by the Regional Co-op Bylaws or other applicable guidelines, which will be made available to Franchisee up on request. Unless otherwise consented to in writing by Franchisor, the Regional Co-op Fund shall only conduct advertising that conforms with those advertising and sales promotions specified by Franchisor from time to time (including the media in which conducted). All advertising shall be submitted to Franchisor prior to first use as provided in Section 8.G, and all advertising shall adhere to the standards set forth in Section 8.G. Each franchisee who is a member of the Regional Co-op shall be entitled to vote on Regional Co-op matters; however, a franchisee shall not be entitled to vote if it is in default under its franchise agreement or any other agreement with Franchisor or its affiliates. Franchisor always shall be a member of the Regional Co-op and be entitled to attend and fully participate in Regional Co-op meetings, but Franchisor shall not have a vote unless it or its affiliates operates Fridays Restaurants in the area covered by the Regional Co-op. Franchisor shall be given at least 3 days' prior written notice of Regional

Co-op meetings. If the members of the Regional Co-op are unable or fail to determine the manner in which Regional Co-op monies should be spent, Franchisor may assume this decision making authority following 10 days' advance written notice to the members of the Regional Co-op.

(3) Franchisor or its designee shall have the right to terminate (and subsequently restart) the Regional Co-op or convert the Regional Co-op to a Regional Advertising Fund. Upon termination, all monies in the Regional Co-op shall be spent for advertising and/or promotional purposes.

(4) Franchisor or its designee may grant to any franchisee an exemption for any length of time from the requirement of membership in the Regional Co-op, upon written request of such a franchisee stating reasons supporting an exemption. Decisions regarding a request for exemption shall be final. Franchisor shall have the sole right to enforce the obligations of franchisees who are members of the Regional Co-op to contribute to the Regional Co-op, and neither Franchisee nor any other franchisees who contribute to the Regional Co-op shall be deemed a third party beneficiary with respect to the Regional Co-op obligations of other franchisees or have any right to enforce the obligation of any franchisee to contribute to the Regional Co-op.

F. Treatment of Payments to Franchisor.

(1) Franchisor shall separately account for the National Advertising Fund and any Regional Advertising Funds, but Franchisor shall not be required to segregate any of the funds from Franchisor's other monies. None of the funds shall be used to defray any of Franchisor's general operating expenses (except reasonable administrative costs and overhead related to the administration or direction of such funds). Each fund may hire employees, either full-time or part-time, for its administration. Franchisor, its affiliates and designees may be reimbursed by each fund for administrative expenses directly related to the fund's marketing programs, including, without limitation, conducting market research, preparing advertising and marketing materials and collecting and accounting for contributions to each fund. Franchisor or its designee may spend in any fiscal year an amount greater or less than the aggregate contribution of all Fridays Restaurants to each fund during that year or cause each fund to invest any surplus for future use by the fund. An unaudited statement of monies collected and costs incurred by each fund shall be prepared annually and shall be furnished to Franchisee within a reasonable period of time following a written request. Franchisor or its designee will have the right to cause each fund to be incorporated or operated through an entity separate from Franchisor at such time as Franchisor or its designee deems appropriate, and such successor entity shall have all rights and duties of Franchisor pursuant to this Section 8.

(2) Franchisee understands and acknowledges that each fund is intended to enhance recognition of the Proprietary Marks and patronage of Fridays Restaurants. Franchisor will endeavor to utilize each fund to develop advertising and marketing materials and programs and to place advertising that will benefit the System and all Fridays Restaurants contributing to the fund. Franchisee agrees, however, that Franchisor is not liable to Franchisee, and Franchisee forever covenants not to sue and holds Franchisor harmless of any liability or obligation to ensure that expenditures by each fund in or affecting any geographic area (including the Premises) are proportionate or equivalent to the contributions to the fund by Fridays Restaurants operating in that geographic area, or that any Fridays Restaurant will benefit directly or in proportion to its contribution to each fund from the development of advertising and marketing materials or the placement of advertising. Except as expressly provided in this Section 8, neither Franchisor nor its designee assumes any direct or indirect liability to Franchisee with respect to the maintenance, direction or administration of each fund.

(3) Franchisor reserves the right, in its sole discretion, to: (a) suspend contributions to and operations of each fund for one or more periods that Franchisor determines to be appropriate; (b) terminate any fund upon 30 days' written notice to Franchisee and establish, if Franchisor so elects, one or more new advertising funds; and (c) defer or waive, in whole or in part, upon the written request of any franchised or company restaurants, any advertising contributions required by this Section if, in Franchisor's sole judgment, there has been demonstrated unique, objective circumstances justifying any such waiver or deferral. On termination of a fund, all monies in the fund shall be spent for advertising and/or promotional purposes. Franchisor has the right to reinstate any fund upon the same terms and conditions set forth in this Agreement upon 30 days' prior written notice to Franchisee. Franchisor, in its sole discretion as it deems appropriate in order to maximize media effectiveness, may transfer monies from the National Advertising Fund to any Regional Advertising Fund or from all Regional Advertising Funds to the National Advertising Fund.

G. Local Store Marketing.

(1) Franchisee shall spend, on a monthly basis, the difference between (a) the APO and (b) the amount Franchisee is required to contribute to the National Advertising Fund and the Regional Advertising Fund or Regional Co-Op (if any), as set forth in Exhibit B (and as such may be subsequently modified by Franchisor), on authorized advertising media and for authorized advertising expenditures to promote the Restaurant ("**Local Store Marketing**"). Franchisor or its designee periodically shall advise Franchisee of the advertising and sales promotions approved by Franchisor including: direct mail, newspapers, magazines and other periodicals; radio and television spots; outdoor advertising (e.g., billboards, highway or transit signs); geo-targeted digital advertising and local Social Media. If requested by Franchisor, Franchisee shall submit annually for Franchisor's prior consent its marketing plan and budget with respect to kinds and amounts of advertising and media intended to be used in accordance with Fridays Local Store Marketing guidelines as set forth in Exhibit C and the Manuals as such guidelines may be modified by Franchisor from time to time. Franchisee shall obtain Franchisor's consent to the marketing plan and budget and any changes to the marketing plan and budget before it may be implemented.

(2) Within 30 days after the end of each fiscal quarter, Franchisee shall provide Franchisor or its designee copies of all documentation demonstrating the amount and types of Local Store Marketing expenditures made by Franchisee in the prior fiscal quarter. If Franchisee fails to expend the required amount annually, then Franchisee must contribute to the National Advertising Fund within 30 days after the close of Franchisor's fiscal year any amounts that Franchisee should have expended to reach the Local Store Marketing requirement. Franchisor reserves the right to require Franchisee to remit to Franchisor 100% of the Local Store Marketing obligation upon 10 days' notice and, upon receipt, Franchisor will have the right to use the funds for advertising and promotion in the Restaurant's local area.

(3) Franchisee may purchase local advertising and promotion materials from any Franchisor-approved third party. If purchased from a source other than Franchisor or its affiliates, these materials shall comply with federal and local laws and regulations and with the guidelines for advertising and promotions promulgated from time to time by Franchisor or its designee and shall be submitted to Franchisor or its designee at least 30 days prior to first use for its approval, which Franchisor may grant or withhold in its sole discretion. Franchisee's local advertising and marketing materials must follow Franchisor's guidelines, which may include, among other things, requirements for, or restrictions regarding, the use of the Proprietary Marks and notices of the Fridays Websites domain name(s) in the manner Franchisor designates. In no event shall Franchisee's advertising contain any statement or material which, in the sole discretion of Franchisor, may be considered: (a) in bad taste or offensive to the

public or to any group of persons; (b) defamatory of any person or an attack on any competitor; (c) to infringe upon the use, without permission, of any other persons' trade name, trademark, service mark or identification; or (d) inconsistent with the public image of Franchisor or the System.

H. Promotional Programs.

In addition to the national and regional advertising described in this Section 8, Franchisor may from time to time develop and administer advertising, marketing and sales promotion programs in which Franchisee shall participate upon such terms and conditions as established by Franchisor. Such programs are in addition to Franchisee's APO and may include, but not be limited to, liquor menu and marketing promotions, specialized menu offerings and similar programs. All phases of such advertising and promotion, including, without limitation, type, quantity, timing, placement, and choice of media (including Digital Media), market areas, promotional programs and advertising agencies, shall be determined by Franchisor.

I. Fridays Websites.

(1) Franchisor may establish and maintain one or more websites and/or mobile applications (collectively referred to herein as the "**Fridays Websites**") that provide information about the System and the products and services offered and sold by Fridays Restaurants. The Fridays Websites may also offer reservations, online and mobile ordering, mobile payments or similar services or sales of items bearing the Proprietary Marks, including, but not limited to, Franchisor's memorabilia, clothing and pre-packaged food and beverage products. Franchisor may require Franchisee to pay Franchisor and/or one or more third party vendors their then-current costs and fees applicable to online and mobile orders placed from Franchisee's Restaurant through the Fridays Websites, or Franchisor may use part of the National Advertising Fund contributions that Franchisor collects under this Section 8 to pay a portion or all of those costs and fees. Franchisor has absolute control over the Fridays Websites' design and content. Franchisor will attempt to configure the Fridays Websites to accommodate individual Fridays Restaurant pages described in Section 8.I(2). Franchisor will have no obligation to maintain the Fridays Websites indefinitely, but may discontinue them at any time without liability to Franchisee. Furthermore, as Franchisor has no control over the stability or maintenance of the Internet generally, Franchisor is not responsible for damage or loss caused by errors of the Internet. Franchisor is not liable for any direct, indirect, special, incidental, exemplary or consequential damages arising out of the use of the Internet or the inability to use the Internet including loss of profits, goodwill or savings, downtime, damage to or replacement of programs and data, whether based in contract or tort, product liability or otherwise.

(2) The Fridays Websites may include a series of interior pages developed by Franchisor (and, at Franchisor's sole discretion, using content provided by Franchisee as requested by Franchisor) that identify participating Fridays Restaurants by address, telephone number, and e-mail address. At Franchisee's request, Franchisor will endeavor (technology permitting) to include on the Fridays Websites one or a series of interior pages devoted to information about the Restaurant. Franchisee will not have the capability to modify such page(s) except in coordination with Franchisor and in compliance with Franchisor's policies and procedures as such may change from time to time.

(3) Franchisor may require Franchisee to contribute an amount, as determined by Franchisor in its sole discretion (the "**Digital Marketing Fee**"), toward the cost of the development and maintenance of Digital Media (including, but not limited to, the Fridays Websites) to be used for advertising, marketing, promotional, technology, or other purposes in Franchisor's sole discretion. Franchisor will collect the Digital Marketing Fee monthly and will notify Franchisee in or before January of each year the amount of the Digital Marketing Fee for that calendar year, provided that the Digital

Marketing Fee will remain the same for that calendar year if Franchisor does not notify Franchisee before January 31 of each year of a change in the amount of the Digital Marketing Fee. In addition or alternatively, Franchisor may use part of the National Advertising Fund contributions that Franchisor collects under this Section 8 to maintain and further develop the Digital Media and may elect in conjunction therewith to establish a separate fund for the Digital Marketing Fee and such contribution amounts apart from the National Advertising Fund.

(4) If Franchisee fails to pay when due any fees or other amounts payable to Franchisor under this Agreement or otherwise fails to comply with any policy or procedure governing the Digital Media, in addition to other remedies, Franchisor may, at its option, temporarily disable Franchisee's interior page(s) on the Fridays Websites (or other Digital Media) or Franchisee's ability to accept online or mobile orders and/or mobile payments for the Restaurant, until Franchisee pays its outstanding obligations in full and/or Franchisee fully cures the breach. Franchisee will not have any claim against Franchisor or any affiliate arising from Franchisor's actions pursuant to this Section 8.I and Franchisee hereby waives any such claim it may at any time have, and releases Franchisor and its affiliates from any liability arising therefrom.

J. E-Mail, Internet, Social Media and Other Media.

Franchisee must comply with Franchisor's requirements and policies (as described in the Manuals or otherwise in writing) with respect to all Digital Media in connection with the Restaurant and the business, and in connection with discussing, advertising, or disseminating any information, or otherwise having a presence, on the Internet, in Social Media or in any other media, regarding the Restaurant and the business. Such activities include, without limitation, participation in any Internet "blogs" or Social Media sites. Any such activities which are not expressly permitted in the Manuals or otherwise in writing, or for which Franchisee has not previously received approval from Franchisor, shall be subject to Franchisor's approval as Local Store Marketing.

(1) Franchisee may advertise and promote the Restaurant via Social Media, which shall be comprised of pages, communications, and content located on third party platforms using the Proprietary Marks as specified by Franchisor (collectively, "**Franchisee's Social Media**"). All uses of Franchisee's Social Media pages and communication channels and uses must be established in accordance, and at all time be in compliance, with the Manuals and System Standards.

(2) Franchisee agrees not to transmit or cause any other party to transmit consumer advertisements or solicitations by e-mail or other Digital Media without Franchisor's prior written consent as to: (a) the content of such advertisements or solicitations; and (b) Franchisee's plan for transmitting such advertisements. In addition to any other provision of this Agreement, Franchisee agrees that it will be solely responsible for complying with any laws pertaining to sending e-mails, including but not limited to the Controlling the Assault of Non-Solicited Pornography and Proprietary Marketing Act of 2003 (known as the "CAN-SPAM Act of 2003").

(3) Franchisee shall promptly discontinue any advertising or promotion using Social Media, whether or not previously agreed to by Franchisor, upon notice from Franchisor that it reasonably considers that such use of Social Media does not conform to the System Standards. Upon the expiration or termination of this Agreement, Franchisee will assign ownership (to the extent Franchisor does not already own them) of all domain names, account names, handles and user names used by Franchisee in its business under this Agreement and Franchisee will take all such actions as Franchisor reasonably requires to disassociate Franchisee from any such names and Social Media pages.

K. Copyrights.

Copyright to all advertising and promotional materials that contain any of the Proprietary Marks or that otherwise relate to Fridays Restaurants will belong solely to Franchisor regardless of the party that created those materials. For purposes of this provision on ownership of advertising and promotional material, Fridays Websites and all material on Fridays Websites or Social Media including, without limitation, all informational text, photographs, illustrations, artwork, software, music, sound, photographs, graphics, audio, video, messages, files, documents, images or other materials, as well as all derivative works will be considered advertising and promotional material, and will therefore be owned solely by Franchisor. Franchisee will (and will cause its employees and agents to) execute all documents required by Franchisor to confirm this ownership.

9. MANUALS

A. Manuals and System Standards.

(1) At the time of Franchisee's initial training, Franchisor shall deliver to Franchisee, on loan, one set of Fridays Manuals. The Manuals may be published in an electronic format. As used in this Agreement, the term "**Manuals**" includes publications, materials, drawings, memoranda, compact disks, digital video disks and electronic media that Franchisor from time to time may provide to Franchisee. The Manuals contain the System Standards for Fridays Restaurants, which include mandatory and suggested specifications, standards, operating procedures, reporting requirements and rules that Franchisor periodically prescribes for operating a Fridays Restaurant. Franchisee acknowledges that the Manuals and System Standards are designed to protect the System and the Proprietary Marks, goodwill and reputation associated with the System and to maintain the uniform quality of operation through the System, and not to control the day-to-day operation of the Restaurant. Franchisee at all times remains responsible for the operation of the Restaurant and all activities occurring in the Restaurant, including but not limited to the hiring, training, discipline, and staffing of the Restaurant's employees. Franchisee agrees to comply fully with all mandatory standards, specifications, operating procedures, and other obligations contained in the Manuals, as amended from time to time.

(2) Franchisor has the right to amend and supplement the Manuals periodically by letter, electronic mail, bulletin, DVDs, audio tapes, compact disks, software or other communications concerning the System to reflect changes in the image, specifications and standards relating to developing, equipping, furnishing and operating a Fridays Restaurant. Franchisee shall keep its copy of the Manuals current and up-to-date with all additions and deletions provided by or on behalf of Franchisor and shall purchase whatever equipment and related services (including, without limitation, the computer, Internet service, dedicated phone line, facsimile machine, etc.) as may be necessary to receive these communications. If a dispute relating to the contents of the Manuals develops, the master copy maintained by Franchisor at its principal offices shall control. If Franchisee's copy of the Manuals are lost, destroyed, or significantly damaged, Franchisee will immediately notify Franchisor and Franchisee will be obligated to obtain from Franchisor, at the then-current charge, a replacement copy of the Manuals.

B. Confidentiality of the Manuals.

Franchisee acknowledges that the contents of the Manuals are confidential and that the Manuals contain Franchisor's trade secrets and copyrighted material. Any passwords or other digital identifications necessary to access the Manuals on the applicable website, intranet or extranet also are deemed to be confidential and proprietary to Franchisor. Accordingly, Franchisee agrees that Franchisee

will not disclose the Manuals, passwords or other digital identifications to any person other than employees of the Restaurant who need to know its contents. Franchisee's employees with access to the Manuals will sign a confidentiality agreement before accessing the Manuals. Franchisee may not at any time copy, duplicate, record, or otherwise reproduce any part of the Manuals.

10. MODIFICATIONS OF THE SYSTEM

A. System Modifications.

Franchisor, in its sole discretion, shall be entitled from time to time to change or modify the System, including modifications to the Manuals, the System Standards, the menu and menu formats, the required equipment, the signage, the building and premises of the Restaurant (including the trade dress, décor and color schemes), the presentation of the Proprietary Marks, the adoption of new administrative forms and methods of reporting and of payment of any monies owed to Franchisor (including electronic means of reporting and payment) and the adoption and use of new or modified Proprietary Marks or copyrighted materials. Franchisee shall accept and use or display in the Restaurant any such changes or modifications to the System as if they were a part of the System at the time this Agreement was executed, and Franchisee will make such expenditures as the changes or modifications in the System may require.

B. Variations from System Standards.

Franchisor has the right, in its sole discretion, to waive, defer or permit variations from the System Standards or the applicable agreement to any franchisee or prospective franchisee based on the peculiarities of a particular site, existing building configuration or circumstance, density of population, business potential, trade area population or any other condition or circumstance. Franchisor shall have the right, in its sole discretion, to deny any such request.

C. Franchisee's Development of System Improvements.

If Franchisee develops any new concepts, processes or improvements relating to the System, whether or not pursuant to a Franchisor's authorized test, Franchisee promptly shall notify Franchisor and provide Franchisor with all information regarding the new concept, process or improvement, all of which shall, at Franchisor's option, automatically become the property of Franchisor and its affiliates and which may be incorporated into the System without any payment to Franchisee. If Franchisor so elects, Franchisee, at its expense, promptly shall take all actions deemed necessary or desirable by Franchisor to vest in Franchisor's ownership of such concepts, processes or improvements.

11. TRAINING

A. Owner's Orientation Program.

Franchisee's Principal Owner(s) and its Representative (as described in Section 16.E) must attend Franchisor's then current owner's orientation program ("**Owner's Orientation Program**") at Franchisor's then current corporate headquarters, which are currently located in Dallas, Texas. The Owner's Orientation Program is an expedited program consisting of training related to the overall operation and management philosophy of a Fridays Restaurant. Franchisee's Principal Owners may also participate in all or any part of the Management Training Program (defined in Section 11.B) that the Operating Principal (as described in Section 16.G) and Restaurant managers are required to attend. Franchisor does not charge a fee for the Owner's Orientation Program; however, Franchisee is responsible for any travel expenses, living expenses, wages, and other incidental expenses incurred by the Representative and the

Principal Owner(s) while attending the Owner's Orientation Program. Franchisor may in its sole discretion modify the Owner's Orientation Program.

B. Management Training Program.

(1) At least 90 days before the Restaurant opens for business, and during the Initial Term of this Agreement, Franchisee's Operating Principal, the Restaurant's general manager, kitchen manager and at least two other salaried Restaurant managers must attend, and successfully complete Franchisor's then-current restaurant management training course including without limitation, all course materials, activities, methods, processes, prerequisites and testing, as such may change from time to time at Franchisor's sole discretion (collectively, "**Management Training Program**"). Franchisor shall identify any management employee of Franchisee who successfully completes the Management Training Program as a "**Validated Manager**." As part of the Management Training Program, attendees must successfully complete a Certified Professional Food Manager training and certification program as specified by Franchisor. The eight-week Management Training Program includes classroom and online instruction, and on-the-job training and is held at a Fridays Restaurant that has received Franchisor's certification to conduct training programs ("**Center of Excellence Restaurant**") or at Franchisor's designated training facilities. Franchisor may offer all or portions of the Management Training Program over the Internet, Franchisor's company intranet or by webinar. Franchisor may, in its sole discretion, modify the Management Training Program for any trainee based on that trainee's prior restaurant operating and management experience.

(2) Franchisor will not authorize the Restaurant to open until an adequate number of Franchisee's managers, as determined by Franchisor in its sole discretion, have attended, successfully completed and been "validated" in the Management Training Program. Subsequent to the opening of the Restaurant, any employee of Franchisee who assumes any management position must, within 60 days after assuming such position, attend the Management Training Program and become validated for that position after completing such training. The Management Training Program will be provided by Franchisor, unless a restaurant operated by Franchisee has been certified by Franchisor as a Center of Excellence Restaurant in accordance with Section 11.D(4). In the event that Franchisee's manager(s) must be trained at another restaurant not operated by Franchisee, whether it is owned by Franchisor or another franchisee, Franchisee must pay a fee of \$500 per trainee to the owner of the restaurant in which the training takes place.

(3) Franchisee will be required to pay Franchisor's then-current tuition or other fees as well as all travel expenses, living expenses, wages, and other incidental expenses incurred by Franchisee and Franchisee's employees while attending the training.

(4) In order to facilitate all online training and testing and make it available to all managers and team members, Franchisee will be required to purchase mobile devices, the type and number of which as Franchisor may specify, and provide sufficient, reliable WiFi access within the Restaurant.

C. New Store Opening ("NSO") Team and Franchisee Responsibility for All Costs and Expenses.

(1) Franchisor will authorize Franchisee to open the Restaurant only after an adequate number of Franchisee's employees, as determined by Franchisor in its sole discretion as necessary to protect the goodwill associated with the Proprietary Marks, have attended and been validated by Franchisor. The NSO Team shall assist in the opening of the Restaurant. The NSO Team typically

consists of a combined total of approximately 12 employees of Franchisor or its designee and Franchisee's Validated Managers (the actual number of members shall be determined by Franchisor, depending upon the number of Fridays Restaurants already being operated by Franchisee or its affiliate and such other criteria as Franchisor deems reasonable). The members of the NSO Team shall be subject to Franchisor's consent. The number of Franchisor's or its designee's employees selected to serve on the NSO Team for the Restaurant is determined according to the following schedule, provided however, Franchisor may elect to modify this schedule in the event the total number of people on the NSO Team is greater or less than 12:

No. of Fridays Restaurants Operated by Franchisee (or its affiliate)	No. of Franchisor's Validated Trainers On the NSO Team
1 & 2	12
3 & 4	9
5 & 6	6
7 or more	2

(2) In the event Franchisor determines that more than 12 NSO team members are necessary for the opening of the Restaurant, Franchisee shall be responsible for the costs associated with the team members in excess of 12. If Franchisee fails or is unable to timely provide the number of employees noted above, Franchisor may, but shall not be obligated to, staff the NSO Team with Franchisor's or its designee's employees.

(3) Franchisee shall be solely responsible for all costs, expenses, and liabilities incurred by the NSO team members provided by Franchisor (or its designee). Franchisor reserves the right to require Franchisee to prepay an estimated amount of these expenses in advance. Franchisor will submit a final invoice to Franchisee within 30 days after the Restaurant opens and Franchisee and Franchisor shall reconcile and reimburse the other as necessary based on the initial estimate.

D. Training by Franchisee.

(1) Franchisee's Validated Managers are responsible for training the Restaurant's staff ("**Team Member Training Program**"). Periodically, Franchisee must conduct such Team Member Training Programs as Franchisor may require, including those training programs required for Franchisee's employees to become validated for the position(s) for which each employee was hired. Franchisee may offer the Management Training Program to Franchisee's managerial employees if Franchisee operates a Center of Excellence Restaurant. Franchisee will be responsible for all costs that Franchisee incurs in training Franchisee's employees.

(2) Franchisor or its designee may periodically visit the Restaurant to ensure that Franchisee's Validated Managers continue to meet Franchisor's standards. Franchisor has the right to de-validate any of Franchisee's Validated Managers who consistently fails to maintain System Standards as set forth in the Manuals. If Franchisee's Validated Managers are no longer qualified to train Franchisee's employees, then Franchisor may, among other things, require the Validated Managers attend and successfully complete the Management Training Program and be re-validated or designate replacement personnel to complete the Management Training Program to be validated as Franchisee's Validated Managers. Franchisor may charge a reasonable training fee to re-validate Franchisee's managers.

(3) If Franchisee does not operate a Center of Excellence Restaurant, then Franchisee must send Franchisee's managerial employees to the Management Training Program offered by Franchisor and Franchisee must pay Franchisor's then current tuition fee for Franchisee's managers who attend the Management Training Program, in addition to paying all salaries, benefits, travel, food, lodging and other expenses incurred by Franchisee's managerial employees while attending the Management Training Program. If Franchisee does not have Validated Managers to train Franchisee's staff, Franchisor or its designee will send a trainer to the Restaurant to train Franchisee's hourly employees on the System Standards and related topics necessary to protect the goodwill associated with the System and Proprietary Marks, and Franchisee must reimburse Franchisor for all salary, travel, food, lodging and other expenses incurred by Franchisor's or its designee's trainers. Franchisor reserves the right to require Franchisee to pay an estimated amount of these wages and expenses in advance. Franchisor will submit a final invoice to Franchisee within 30 days after the training and shall reimburse Franchisee for any expenses in excess of the estimate.

(4) If Franchisee operates three or more franchised Fridays Restaurants, within 90 days after Franchisee opens its third franchised Fridays Restaurant, Franchisee may request permission from Franchisor to establish one of Franchisee's Fridays Restaurants as a Center of Excellence Restaurant at which Franchisee's employees will offer Team Training Program to Franchisee's employees and the Management Training Program to Franchisee's managers. Franchisor must certify the Restaurant as a Center of Excellence Restaurant before Franchisee may begin training there and Franchisee shall be responsible for reimbursing Franchisor for all costs and expenses in certifying the Restaurant. Franchisor may periodically visit Franchisee's Center of Excellence Restaurant to ensure that it continues to meet Franchisor's standards.

(5) Franchisee is strongly encouraged to train its team members in responsible alcohol service. Franchisor's corporate program – "S.U.R.F." (Serving Up Responsible Fun) – is available for Franchisee's use; however, Franchisor assumes no liabilities, duties or obligations by simply disclosing to others how to handle responsible alcohol service. Other alcohol awareness programs are available through the National Restaurant Association, state restaurant associations, state beverage commissions and from hospitality industry consultants.

E. Additional Training, Conferences and Meetings.

(1) Franchisor shall have the right (which may be exercised at any time and in Franchisor's sole discretion) to require that Franchisee, the Operating Principal, and Franchisee's restaurant managers take and successfully complete other training courses in addition to the initial training program. Franchisor reserves the right to require Franchisee to pay a tuition fee as established by Franchisor from time to time for these additional training programs within 30 days of receipt of an invoice from Franchisor.

(2) In addition to training programs, Franchisee's Operating Principal must attend the Franchisor's annual meeting, convention or conference of franchisees and all meetings relating to new products or product preparation procedures, new operational procedures or programs, restaurant management, sales or sales promotion, or similar topics, at Franchisee's expense. Franchisor reserves the right to require that the Operating Principal attend any additional meetings that Franchisor deems appropriate under special circumstances, provided, however, that Franchisor will not require more than one additional meeting every year and Franchisor will provide written notice of any such meeting at least 10 days prior to the meeting.

F. Training Materials and Methods.

All training materials that Franchisor provides to Franchisee remain Franchisor's property. Except for the on-the-job training portions of the Management Training Program, Franchisor reserves the right to provide training programs in person, on tape, via the Internet, webinar, in printed or electronic format or by other means.

G. Expenses.

Franchisee is responsible for any travel expenses, living expenses, wages, and other incidental expenses incurred by Franchisee and Franchisee's trainees while attending Franchisor's training programs.

12. ADDITIONAL SERVICES BY FRANCHISOR

A. Pre-Opening Assistance.

Franchisor may provide, at times and in a manner determined solely by Franchisor, consultation and advice to Franchisee, as Franchisor deems appropriate, with regard to the development and operation of the Restaurant, building layout, furnishings, fixtures and equipment plans and specifications, purchasing and inventory control, and such other matters as Franchisor deems appropriate.

B. General Guidance.

Franchisor will advise Franchisee from time to time regarding the operation of the Restaurant based on Franchisee's reports to Franchisor and/or Franchisor's direct or indirect observations, and Franchisor will provide guidance to Franchisee with respect to: (1) the System Standards and operating procedures used by Fridays Restaurants; (2) advertising and marketing materials and programs; and (3) administrative, bookkeeping, accounting, and inventory control procedures. Franchisor will provide ongoing advice and consultation to Franchisee through the Manuals, bulletins or other written materials, electronic media, telephone, national or regional meetings and/or in person at Franchisor's corporate offices or the Restaurant. If Franchisee requests, and Franchisor agrees to provide, additional or special guidance, assistance, or training, then Franchisee must pay Franchisor's then applicable charges, including Franchisor's fees for its personnel and their related travel and living expenses.

C. Periodic Inspections. At periodic intervals and at times designated by Franchisor in its sole discretion with or without notice to Franchisee, Franchisor shall inspect the Restaurant and its operations to assist Franchisee's operations and ensure compliance with the System.

D. Delegation. Franchisor has the right, from time to time, to delegate the performance of any portion or all of its obligations and duties under this Agreement to designees, whether affiliates or agents of Franchisor or independent contractors with which Franchisor has contracted to provide this service.

13. PERFORMANCE STANDARDS AND UNIFORMITY OF OPERATION

Products sold and services performed under the Proprietary Marks have a reputation for quality. This reputation has been developed and maintained by Franchisor, and it is of the utmost importance to Franchisor, Franchisee and all other franchisees of Franchisor that this reputation be maintained. In recognition of the mutual benefits that come from maintaining the reputation for quality enjoyed by the System, Franchisee covenants and agrees, with respect to the operation of the Restaurant, that Franchisee

and its employees shall comply with all of the requirements of the System as set forth in the Manuals or otherwise, and Franchisee additionally shall comply with the following:

A. Standards and Specifications.

To insure that the highest degree of quality and service is maintained, Franchisee shall operate the Restaurant in strict conformity with such methods, standards, and specifications as Franchisor may from time to time prescribe in the Manuals or otherwise in writing. Franchisee agrees:

(1) To maintain in sufficient supply, and to use and/or sell at all times only such products, ingredients, materials, supplies, merchandise and paper goods as conform to Franchisor's written standards and specifications, and to refrain from deviating therefrom by the use or offer of any non-conforming items without Franchisor's specific prior written consent.

(2) To sell or offer for sale only such products as have been expressly approved for sale in writing by Franchisor; to sell or offer for sale all such products, utilizing the ingredients and employing the preparation standards and techniques, as specified by Franchisor; to refrain from any deviation from Franchisor's standards and specifications, including the manner of preparation of products, without Franchisor's prior written consent; and to discontinue selling and offering for sale any products which Franchisor shall have the right to disapprove, in writing, at any time. If Franchisee deviates or proposes to deviate from Franchisor's standards and specifications, whether or not such deviation is approved by Franchisor, such deviation shall become the property of Franchisor.

(3) To permit Franchisor or its agents, at any reasonable time, to remove samples of products, without payment therefor, in amounts reasonably necessary for testing by Franchisor or an independent laboratory to determine whether said samples meet Franchisor's then-current standards and specifications. In addition to any other remedies it may have under this Agreement, Franchisor may require Franchisee to bear the cost of such testing if the supplier of the item has not previously been approved by Franchisor or if the sample fails to conform to Franchisor's specifications.

(4) To purchase and install, at Franchisee's expense, all fixtures, furnishings, equipment, décor, and signs as Franchisor shall specify; and to refrain from installing or permitting to be installed on or about the Restaurant premises, without Franchisor's prior written consent, any fixtures, furnishings, equipment, décor, signs, or other items not previously approved as meeting Franchisor's standards and specifications.

(5) To fully and faithfully comply with all applicable governing authorities, laws and regulations. Franchisee shall immediately close the Restaurant and terminate operations in the event that: (a) any products sold at the Restaurant evidence adulteration or deviation from the standards set for products by Franchisor; (b) any products sold at the Restaurant fail to comply with applicable laws or regulations; or (c) Franchisee fails to maintain the products, Restaurant premises, equipment, personnel, or operation of the Restaurant in accordance with any applicable law or regulations. In the event of such closing, Franchisee shall immediately notify Franchisor in writing and Franchisee shall destroy immediately in accordance with procedures set forth in the Manual, or otherwise in writing by Franchisor, all products which it knows, or should know through the exercise of reasonable care, to be adulterated, tainted, contaminated, spoiled, unsafe, or otherwise unfit for human consumption and eliminate the source thereof, and remedy any unsanitary, unsafe, or other condition or other violation of the applicable law or regulation. Franchisee shall not reopen the Restaurant until after Franchisor has inspected the Restaurant premises, and Franchisor has determined that Franchisee has corrected the condition and that all products sold at the Restaurant comply with Franchisor's standards.

B. Suppliers.

(1) Franchisee shall purchase all products, ingredients, supplies, materials, furnishings (including décor), fixtures and equipment, merchandise and other products used in the construction and development of the Restaurant and/or offered for sale at the Restaurant solely from suppliers that Franchisor has approved in writing, which may be Franchisor or its affiliates or a buying cooperative that Franchisor organizes. In determining whether it will approve any particular supplier, Franchisor shall consider various factors, including a supplier who can demonstrate, to Franchisor's continuing reasonable satisfaction, the ability to meet Franchisor's then-current standards and specifications for such items; who possesses adequate quality controls and capacity to supply Franchisee's needs promptly and reliably; who would enable the System, in Franchisor's sole opinion, to take advantage of marketplace efficiencies; and who has been approved in writing by Franchisor prior to any purchases by Franchisee from any such supplier, and has not thereafter been disapproved. For the purpose of this Agreement, the term "**supplier**" shall include, but not be limited to, manufacturers, distributors, resellers, and other vendors. Franchisee recognizes that Franchisor shall have the right to appoint only one manufacturer, distributor, reseller, and/or other vendor for any particular item, and that Franchisor may so designate itself or its affiliate. Franchisee acknowledges that Franchisor may profit from its sale of such items to Franchisee or receive rebates or other consideration from the third party supplier with respect to Franchisee's purchases of such items.

(2) If Franchisee wishes to purchase any products or any items from an unapproved supplier, Franchisee shall first submit to Franchisor a written request for such approval. Franchisee shall not purchase any products or services from any supplier until, and unless, such supplier has been approved in writing by Franchisor. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, either to Franchisor or to an independent laboratory designated by Franchisor for testing. A charge not to exceed the reasonable cost of the inspection and the actual cost of the test shall be paid by Franchisee or the supplier. Franchisor may also require that the supplier comply with such other requirements as Franchisor may deem appropriate, including payment of reasonable continuing inspection fees and administrative costs, or other payment to Franchisor by the supplier on account of their dealings with Franchisee or other franchisees, for use, without restriction (unless otherwise instructed by the supplier) and for services that Franchisor may render to such suppliers. Franchisor reserves the right, at its option, to reinspect from time to time the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria. Nothing in the foregoing shall be construed to require Franchisor to approve any particular supplier, nor to require Franchisor to make available to prospective suppliers, standards and specifications for formulas, which Franchisor shall have the right to deem confidential.

(3) Notwithstanding anything to the contrary contained in this Agreement, Franchisee acknowledges and agrees that, at Franchisor's sole option, Franchisor may establish one or more strategic alliances, purchasing and/or distribution cooperatives or preferred vendor programs with one or more nationally or regionally-known suppliers who are willing to supply all or some Restaurants with some or all of the products and/or services that Franchisor requires for use and/or sale in the development and/or operation of Restaurants. In this event, Franchisor may limit the number of approved suppliers with whom Franchisee may deal, designate sources that Franchisee must use for some or all products and other products and services, and/or refuse any of Franchisee's requests if Franchisor believes that this action is in the best interests of the System or the franchised network of Restaurants. Franchisor shall have unlimited discretion to approve or disapprove of the suppliers who may be permitted to sell products to Franchisee. Franchisor may charge a surcharge to Franchisee on any items purchased from

approved suppliers for Franchisor's role in managing the purchasing and distribution contracts for the System.

(4) Franchisee acknowledges and agrees that Franchisor shall have the right to collect and retain all manufacturing allowances, marketing allowances, rebates, credits, monies, payments or benefits (collectively, "**Allowances**") offered by suppliers to Franchisee or to Franchisor or its affiliates based upon Franchisee's purchases of products and other goods and services. These Allowances are based on System-wide purchases of food, beverages, alcohol, paper goods, merchandise and other items. Franchisee assigns to Franchisor or its designee all of Franchisee's right, title and interest in and to any and all such Allowances and authorizes Franchisor or its designee to collect and retain any or all such Allowances without restriction (unless otherwise instructed by the supplier); provided, however, that Franchisor's current policy is to utilize such funds for purposes that Franchisor believes, in its sole discretion, may enhance the "Fridays" System and the Proprietary Marks and/or public awareness of Fridays Restaurants.

(5) Franchisee shall comply with all terms, conditions, and obligations of all contracts and arrangements with suppliers, including contracts and arrangements negotiated by Franchisor or third parties as part of a network or multiple-franchise or multiple-restaurant supply and distribution arrangement, and Franchisee's contracts with and obligations to suppliers. Franchisee shall promptly pay all suppliers in accordance with the agreed-upon terms. In the event Franchisee fails to promptly pay one or more suppliers as required, Franchisor may, but is not required to, pay such supplier(s) on behalf of Franchisee, and Franchisee shall promptly reimburse Franchisor for such payment following notice from Franchisor, or Franchisor may obtain payment through the electronic process described in Section 6 above and the Manuals.

C. Authorized Menu Items and Merchandise.

(1) Within 14 days after receipt of written notice from Franchisor, Franchisee shall begin selling any newly authorized menu items and cease selling any menu items that are no longer authorized. Within 30 days after receipt of written notice from Franchisor, Franchisee shall begin selling any and all newly authorized merchandise and cease selling any merchandise that is no longer authorized. However, if any discontinued menu item or merchandise could pose a hazard to the public or prove detrimental to the system, Franchisee must cease selling or using that item or ingredient immediately. Franchisee shall purchase any additional equipment and smallwares as Franchisor deems reasonably necessary in connection with new menu items. If Franchisor requires Franchisee to begin offering a new menu item which requires the purchase of additional equipment, a reasonable period of time, as determined in the sole discretion of Franchisor, shall be provided for the financing, purchase and installation of any such equipment before such new menu items must be offered for sale at the Restaurant.

(2) All food, beverage and merchandise items authorized for sale at the Restaurant shall be offered for sale under the specific name designated by Franchisor. Franchisor, in its sole discretion, may restrict sales of menu items to certain time periods during the day.

(3) If Franchisee has a suggestion for a new menu item or for a change to an authorized menu item or Franchisee desires to participate in a test market program, Franchisee shall provide Franchisor's written notice prior to implementation. Franchisee shall not add or modify any menu item or participate in a test market program without first having obtained Franchisor's prior written approval, which may be withheld or denied in Franchisor's sole discretion. If Franchisor grants its approval, Franchisee agrees to sign Franchisor's then-current test agreement prior to commencing the test.

(4) Franchisee may not use the Restaurant for the sale of any items that promote illegal activity or for any purpose for which Franchisor determines, in its sole discretion, that may offend an appreciable segment of the public or may adversely affect the acceptance, favorable reputation or goodwill associated with the Franchisor brand.

D. Menu Formats.

Franchisor shall have the right to prescribe, and subsequently vary, one or more menu formats to be utilized in the Restaurant including, but not limited to, any and all bar or alcoholic beverage menus. The menu formats may include requirements concerning organization, graphics, product descriptions, calorie counts, illustrations and other matters related to the menu. Prescribed menu formats may vary depending on region, market size or other factors deemed relevant by Franchisor. If any menu format utilized by Franchisee ceases to be an authorized menu format, Franchisee shall have a reasonable period of time (not to exceed 30 days) to discontinue use of the old menu format and begin using an authorized menu format.

E. Promotional Materials.

Franchisee shall require all advertising and promotional materials, signs, decorations, paper goods (including without limitation disposable food and beverage containers, bags, napkins, menus, and all forms and stationery used in the Restaurant), any and all replacement trade dress products, and other items which may be designated by Franchisor to bear the Franchisor's then-current Proprietary Marks and logos in the form, color, location, and manner then-prescribed by Franchisor.

F. Signs and Logos.

Subject to local ordinances, Franchisee shall prominently display in and upon the Premises and buildings of the Restaurant interior and exterior signs and logos using the name "Fridays," without any prefix or suffix, and those other names, marks, advertising signs and logos, of such nature, form, color, number, location and size, and containing that material as Franchisor may from time to time direct. Franchisee shall not display in or upon the Premises any sign, logo or advertising media of any kind to which Franchisor objects.

G. Entertainment.

Franchisee shall refrain from: (1) offering for sale any tickets, subscriptions or chances; (2) conducting any pools, raffles or related activities; (3) installing or using any juke box, vending or game machine, gum machine, game, ride, gambling or lottery device, coin or token operated machine, or any other music, film or video device; (4) using or allowing any gaming, dancing or live entertainment; or (5) using or providing any form of delivery or catering service at, from or on the Premises without Franchisor's prior written consent.

H. Incentive and Guest Membership Programs.

Franchisee shall promote, participate, offer for sale, and will honor for purchases by customers, any incentive, guest membership, loyalty or similar programs that Franchisor may institute from time to time. Franchisee shall pay any fees and purchase any equipment required by Franchisor to participate in such programs and shall do so in compliance with Franchisor's standards and procedures for such programs. Concurrent with the execution of this Agreement, Franchisee shall sign and deliver to Franchisor the TGI Fridays Loyalty Program Agreement attached to this Agreement as Exhibit H.

I. Prices.

With respect to the sale of all menu items, products, merchandise or services, Franchisee shall be solely responsible for determining the prices of products offered at the Restaurant; however, Franchisee is required to comply with any maximum or minimum resale pricing restrictions Franchisor may implement so long as such pricing does not violate applicable law.

J. Technology and Computer System.

Franchisor has the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware be used by, between, or among Fridays Restaurants, including without limitation: (1) back office and point of sale systems, mobile devices, data, audio, video, and voice storage, retrieval, and transmission systems for use at Fridays Restaurants, between or among Fridays Restaurants, and between and among Franchisee's Restaurant and Franchisor, our designee and/or Franchisee; (2) physical, electronic, and other security systems; (3) printers and other peripheral devices; (4) archival back-up systems; and (5) internet access mode (e.g., form of telecommunications connection) and speed (collectively, the "**Computer System**"). Franchisee shall purchase or lease, and thereafter maintain, the Computer System, and comply with Franchisor's requirements, specifications and policies concerning the use of technology, as they may be specified in this Agreement, or specified or modified in the Manuals or otherwise in writing.

(1) Franchisor shall have the right at any time to retrieve and use such data and information from Franchisee's Computer System that Franchisor deems necessary or desirable, including, without limitation, the uses identified in Section 7.E above. In view of the contemplated interconnection of computer systems and the necessity that such systems be compatible with each other, Franchisee expressly agrees that it shall strictly comply with Franchisor's standards and specifications for all item(s) associated with Franchisee's Computer System, and will otherwise operate its Computer System in accordance with Franchisor's standards and specifications. To ensure full operational efficiency and optimum communication capability between and among equipment and computer systems installed by Franchisee, Franchisor, and other franchisees, Franchisee agrees, at its expense, that Franchisee shall keep its Computer System in good maintenance and repair, and, at its expense, and following the determination that Franchisor shall have the right to make, to the effect that same will prove economically or otherwise beneficial to all System franchisees, that Franchisee shall promptly install such additions, changes, modifications, substitutions and/or replacement to Franchisee's computer hardware, software, telephone and power lines, and other related facilities, as Franchisor directs periodically in writing. Franchisee shall provide to Franchisor, upon Franchisor's request, all e-mail lists and customer lists used or maintained by Franchisee on the Computer System or elsewhere.

(2) Franchisor has the right, but not the obligation, to develop or have developed for it, or to designate, any or all of the following: (a) computer software programs and accounting system software that Franchisee must use in connection with the Computer System ("**Required Software**"), which Franchisee must install; (b) updates, supplements, modifications, or enhancements to the Required Software, which Franchisee must install; (c) the tangible media upon which such Franchisee must record or receive data; (d) the database file structure of Franchisee's Computer System; (e) an Extranet for informational assistance, which may include, without limitation, the Manuals, training, other assistance materials, and management reporting solutions; and (f) answering service requirements and/or system-wide phone, online or mobile order processing of all delivery orders, and/or to designate vendors that will provide such order processing.

(3) Franchisee agrees to install and use the Computer System and Required Software in the manner that Franchisor requires. Franchisor may charge a reasonable software license fee for any Required Software. Franchisee agrees to implement and periodically upgrade and make other changes to the Computer System and Required Software as Franchisor requests in writing, which shall not be more often than one upgrade per year (collectively, "**Computer Upgrades**"). Franchisee agrees to comply with Franchisor's written specifications (whether in the Manuals or otherwise) with respect to the Computer System and the Required Software, and with respect to Computer Upgrades, at Franchisee's own expense.

(4) Franchisee agrees to afford Franchisor unimpeded access to its Computer System and Required Software in the manner, form, and at the times that Franchisor requests. Franchisee shall provide Franchisor with user identifications and passwords required to access files and other information contained on the Computer System.

(5) Because changes to technology are dynamic and not predictable within the Initial Term, and in order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees: (a) that Franchisor will have the right to establish, in writing, reasonable new standards to address new technologies and data security, whether published in the Manuals or otherwise in writing, and that Franchisor has the right to implement those changes in technology into the System; and (b) to abide by Franchisor's new standards (and with Restaurant audits conducted by Franchisor or its designee to confirm Franchisee's compliance) as if this Section 13.J, and other technology provisions in this Agreement, were periodically revised for that purpose.

K. Extranet.

(1) Franchisee shall comply with Franchisor's requirements (as set forth in the Manuals or otherwise in writing) with respect to establishing and maintaining telecommunications connections between Franchisee's Computer System and Fridays Extranet and/or such other computer systems as Franchisor may reasonably require. The term "**Extranet**" means a private network based upon Internet protocols that will allow users inside and outside of Franchisor's headquarters to access certain parts of Franchisor's computer network via the Internet. Franchisor may establish an Extranet (but is not required to do so or to maintain an Extranet). Franchisee shall comply with Franchisor's requirements (as set forth in the Manuals or otherwise in writing) with respect to connecting to the Extranet, and utilizing the Extranet in connection with the operation of Franchisee's Restaurant. The Extranet may include, without limitation, the Manuals, training and other assistance materials, and management reporting solutions (both upstream and downstream, as Franchisor may direct).

(2) Franchisee shall purchase and maintain such computer software and hardware (including but not limited to telecommunications capacity) as may be required to connect to and utilize the Extranet. Franchisor reserves the right to require Franchisee to contribute a reasonable amount toward the cost of the Extranet's maintenance and further development. If Franchisee fails to comply with any policy or procedure governing the Extranet, Franchisor may temporarily suspend Franchisee's access to all or any aspect of the Extranet (such as a chat room, bulletin board, list serve, or similar feature) until Franchisee fully cures the breach. Franchisee will not have any claim against Franchisor or any affiliate arising from such suspension from the Extranet pursuant to this Section 13.K and Franchisee hereby waives any such claim it may at any time have, and releases Franchisor and its affiliates from any liability arising therefrom.

(3) Franchisee and Franchisor shall each be responsible for protecting their own interests in relation to electronic communications. Franchisor shall have no liability to Franchisee on any

basis, whether in contract, tort (including negligence) or otherwise, in respect of any error, damage, loss or omission arising from or in connection with electronic communication of information.

L. Customer Data.

Franchisee agrees that all data and personally identifiable information (including, but not limited to, name, birth date, mailing address, phone number and email address) that it collects from customers and potential customers in connection with the Restaurant ("**Customer Data**") is deemed to be owned exclusively by Franchisor, and Franchisee also agrees to provide the Customer Data to Franchisor at any time that Franchisor requests. Franchisee has the right to use Customer Data during the Initial Term, but only as authorized by Franchisor in connection with operating the Restaurant and only in accordance with the policies that Franchisor establishes from time to time. Franchisee may not sell, transfer, or use Customer Data for any purpose other than operating the Restaurant and marketing Franchisor's products and services. However, if Franchisee Transfers the Restaurant (as provided in Section 18 below), as part of the Transfer, Franchisee must also Transfer use of the Customer Data to the buyer as part of the total purchase price paid for the Restaurant.

M. Privacy Laws.

Franchisee agrees to abide by all applicable laws pertaining to the privacy of consumer, employee, and transactional information ("**Privacy Laws**"). Franchisee agrees to comply with Franchisor's standards and policies pertaining to Privacy Laws. If there is a conflict between Franchisor's standards and policies pertaining to Privacy Laws and applicable law, Franchisee shall: (1) comply with the requirements of applicable law; (2) immediately give Franchisor's written notice of said conflict; and (3) promptly and fully cooperate with Franchisor and its counsel in determining the most effective way, if possible, to meet its standards and policies pertaining to Privacy Laws within the bounds of applicable law. Franchisee agrees not to publish, disseminate, implement, revise, or rescind a data privacy policy without Franchisor's prior written consent as to said policy.

N. POS or Cash Register Systems and Reservation and Table Management System.

(1) Franchisee agrees to record all sales on computer-based point of sale systems or such other types of cash register systems that Franchisor has the right to designate or approve in the Manuals or otherwise in writing ("**POS System**"). The POS System is deemed to be part of Franchisee's Computer System. Franchisee agrees that only trained and qualified personnel will be assigned the responsibility for conducting transactions on the POS System.

(2) Franchisor may require Franchisee to use a reservation system Franchisor designates that is designed to manage reservations, guest seating and waitlists, including communication with guests who are waiting for a table. The National Advertising Fund may pay for this service, or Franchisor may require Franchisee to pay this fee and the cost of any associated hardware directly.

O. Non-Cash Payment Systems.

(1) Franchisee shall accept debit cards, credit cards, stored value gift cards or other non-cash systems specified by Franchisor to enable customers to purchase authorized products and shall obtain all necessary hardware and/or software used in connection with these non-cash systems. At all times, Franchisee must maintain credit-card relationships with the credit- and debit-card issuers or sponsors, check or credit verification services, financial-center services, and electronic-fund-transfer systems that Franchisor designates as mandatory, and Franchisee must not use any such services or

providers that Franchisor has not approved in writing or for which Franchisor has revoked its approval. Franchisor has the right to modify its requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke its approval of any service provider. Franchisee must comply with Franchisor's credit-card policies, including minimum purchase requirements for a customer's use of a credit card as prescribed in the Manuals. Franchisee must comply with the Payment Card Industry Data Security Standards ("PCI DSS") as these standards may be revised and modified by the Payment Card Industry Security Standards Council ("PCISSC") or such successor or replacement organization, and/or in accordance with other standards as Franchisor may specify. In addition, Franchisee must submit annually to Franchisor a fully completed copy of Franchisee's PCI Attestation of Compliance on the then current PCISSC form via email at informationsecurity@fridays.com or such successor or replacement form(s) and/or processes.

(2) Franchisee agrees to participate in any gift card program(s) that Franchisor specifies. For this purpose, Franchisee must purchase the software, hardware, blank cards, and other items needed to sell and process gift cards or stored value cards, which Franchisor may specify in writing in the Manuals or otherwise. Franchisee also agrees to pay such monthly and per-swipe transaction fees as may be required by the vendor of the gift card system. Franchisee must sell or honor gift cards only in accordance with Franchisor's written standards. Franchisee must account for all gift card sales, gift card redemptions, and other gift card transactions in the manner Franchisor specifies in the Manuals. Franchisee must maintain sufficient cash reserves to pay Franchisor or other franchisees as part of any network-wide periodic reconciliation of the gift card program. Franchisee shall pay Franchisor or make payments as specified by Franchisor, in such amounts and at such times as directed by Franchisor, in accordance with Franchisor's gift card rules, programs and policies. Franchisee agrees not to sell, issue, or redeem gift certificates other than gift cards that Franchisor has approved in writing. Concurrent with the execution of this Agreement, Franchisee shall sign and deliver to Franchisor the then-current form of Gift Card Participation Agreement.

P. E-Mail and Fax Communications.

(1) Franchisee agrees that exchanging information with Franchisor by e-mail and fax is an important way to enable quick, effective, and efficient communication, and that Franchisor is entitled to rely upon each other's use of e-mail and faxes for communicating as part of the economic bargain underlying this Agreement. To facilitate the use of e-mail and fax to exchange information, Franchisee authorizes the transmission of e-mail by Franchisor and Franchisor's employees, vendors, and affiliates (on matters pertaining to the business contemplated hereunder) (together, "**Official Senders**") to Franchisee and Franchisee's employees during the Initial Term. Franchisor's list of Official Senders shall be the master and official list of Official Senders.

(2) Franchisee agrees that: (a) Official Senders are authorized to send e-mails and faxes to Franchisee and its employees; (b) Franchisee will cause its officers, directors, and employees (as a condition of their employment or position with Franchisee) to give their consent (in an e-mail, electronically, or in a pen-and-paper writing, as Franchisor may reasonably require) to Official Senders' transmission of e-mails and faxes to those persons, and that such persons shall not opt-out, or otherwise ask to no longer receive e-mails, from Official Senders during the time that such person works for or is affiliated with Franchisee; and (c) Franchisee will not opt-out, or otherwise ask to no longer receive e-mails and/or faxes, from Official Senders during the Initial Term.

(3) The consent given above in will not apply to the provision of formal notices under this Agreement by either party using e-mail unless and until the parties have otherwise agreed, in a pen-and-paper writing that both parties have signed.

Q. Health Standards.

Franchisee shall meet and maintain the highest health standards and ratings applicable to the operation of the Restaurant. Franchisee must participate in any food safety and brand standard audit program specified by Franchisor and the Restaurant must undergo the then current number of audits per year as required by Franchisor, which shall all be at Franchisee's expense. Franchisee shall furnish to Franchisor, within five days after receipt thereof, a copy of all inspection reports, warnings, citations, certificates, and/or ratings resulting from inspections conducted by any federal, state or municipal agency with jurisdiction over the Restaurant. Without limiting the foregoing, Franchisee and all required personnel shall obtain and maintain all necessary and required licenses and certificates for food service and food handling as may be required by applicable local rules and regulations and/or the Manuals.

R. Upkeep of the Restaurant.

(1) Franchisee shall constantly maintain and continuously operate the Restaurant and all furniture, fixtures, equipment, furnishings, floor coverings, interior and exterior signage, the building interior and exterior, interior and exterior lighting, landscaping and parking lot surfaces in first-class condition and repair in accordance with the requirements of the System, including all ongoing necessary remodeling, redecorating, refurbishing and repairs. In addition, Franchisee shall promptly and diligently perform all necessary maintenance, repairs and replacements to the Restaurant as Franchisor may prescribe from time to time, including periodic interior and exterior painting; resurfacing of the parking lot; roof repairs; and replacement of obsolete or worn out signage, floor coverings, furnishings, equipment and decor. Franchisee shall not make any material alterations to the Restaurant that affect operations or the image of the System without Franchisor's prior written approval. Franchisee acknowledges and agrees that the requirements of this Section are both reasonable and necessary to ensure continued public acceptance and patronage of Fridays Restaurants, to assist the Restaurant to compete effectively in the marketplace and to avoid deterioration or obsolescence of the operation of the Restaurant.

(2) Franchisee shall cause to be completed extensive structural changes, major construction, and substantial modifications to existing furniture, fixtures, equipment and improvements to modernize and conform the Restaurant to the existing or a new image of the System for new franchised and company restaurants ("**Facilities Remodeling**") at Franchisor's request (which may not be made sooner than seven years after the later of (a) the date that Franchisee commenced construction-related work for the initial construction of the Restaurant; and (b) the date that Franchisor required the most recent Facilities Remodeling to be completed at the Restaurant, provided that, if Franchisor did not set such a date or if Franchisee completed the Facilities Remodeling prior to the date set by Franchisor, the date that Franchisee commenced work at the Restaurant to complete that Facilities Remodeling, as applicable. For the avoidance of doubt, (i) Sections 4 and 5 of this Agreement shall apply to all Facilities Remodeling; (ii) there shall be no cap on the cost of the Facilities Remodeling; and (iii) capital expenses necessary for the repair and maintenance of the Premises are not subject to the time limitations described in the preceding sentence. Within 60 days after receipt of Franchisor's written notice regarding the required Facilities Remodeling, Franchisee shall prepare and complete the corresponding Plans. These Plans must be submitted to, and their use approved by, Franchisor prior to the commencement of construction. Franchisee shall complete the required Facilities Remodeling within six months after receipt of Franchisor's written notice, or such other time reasonably specified by Franchisor in its written notice.

If Franchisee fails to complete a Facilities Remodeling in accordance with the preceding paragraph, and such failure continues for sixty (60) days ("**Remodel Cure Period**") following notice

thereof from Franchisor (“**Remodel Default**”), Franchisee shall be in a default hereunder. Notwithstanding anything to the contrary herein, no (x) grace or cure period; or (y) doctrine of force majeure, impossibility, frustration of purpose, or other legal or equitable remedy shall toll or extend beyond the Remodel Cure Period Franchisee’s obligation to timely complete the Facilities Remodeling. Franchisee may elect to cure a Remodel Default (“**Royalty Increase Alternative**”) by (i) paying a 2.5% increase in the Royalty Fee from the expiration of the Remodel Cure Period until Franchisee completes such Facilities Remodeling and (ii) satisfying Franchisor’s then-current requirements for the Royalty Increase Alternative. Upon the earlier to occur of (i) the seventh anniversary of the expiration of the Remodel Cure Period; and (ii) Franchisee’s failure to timely pay the increased Royalty Fee, Franchisee’s right to cure a Remodel Default by virtue of the Royalty Increase Alternative shall automatically terminate without any notice or grace or cure period.

(3) The limitation on the frequency or scope of Facilities Remodeling shall not include repair to, or the normal upkeep of, the Restaurant, nor shall it include Equipment Upgrades (as defined below).

(4) In addition to Facilities Remodeling, Franchisee shall make, from time to time, such upgrades and other changes to the equipment utilized in the Restaurant (other than the Computer System) as Franchisor may request in writing (collectively, "**Equipment Upgrades**"). Franchisor shall have the right to require any Equipment Upgrades it deems necessary for the Restaurant.

(5) During any period following a casualty when the Restaurant is closed (or has not fully re-opened), Franchisee shall pay to Franchisor the Closure Royalty. Failure to rebuild or restore the Restaurant, or relocate the Premises as provided in Section 3.E, following a casualty or condemnation shall constitute a default under this Agreement subject to the remedies set forth in Section 21. The Initial Term shall not be extended as a consequence of such taking or destruction.

S. Maximum Operation of the Restaurant.

(1) During the Initial Term, Franchisee shall use the Premises solely for the operation of the Restaurant and shall maintain sufficient inventories, and continuously operate the Restaurant at its maximum capacity and efficiency for the minimum number of days and hours set forth in the Manuals or as Franchisor otherwise prescribes in writing (subject to the requirements of local laws and licensing requirements).

(2) Franchisee must obtain all necessary equipment, including hardware and software components and associated products, for an integrated music system. Franchisee shall play all recorded music required by Franchisor at the Restaurant and shall obtain all copyright licenses in connection with the use of such music.

(3) Except as otherwise specified by Franchisor in the Manuals or otherwise, Franchisee shall immediately resolve any customer complaints regarding the quality of food or beverages, service and/or cleanliness of the Restaurant or any similar complaints. When any customer complaints cannot be immediately resolved, Franchisee shall use reasonable efforts to resolve the customer complaints as soon as practical and shall, whenever feasible, give the customer the benefit of the doubt. If Franchisor, in its sole discretion, determines that its intervention is necessary or desirable to protect the System or the goodwill associated with the System, or if Franchisor, in its sole discretion, believes that Franchisee has failed adequately to address or resolve any customer complaints, Franchisor may, without Franchisee's consent, resolve any complaints and charge Franchisee an amount sufficient to cover Franchisor's reasonable costs and expenses in resolving the customer complaints, which amount

Franchisee shall pay Franchisor immediately on demand. Franchisee must participate in, and pay all charges associated with, all customer relations programs initiated by Franchisor, which programs may include, without limitation, visibly posting any 800 numbers, email or other contact information for customers to contact Franchisor's customer relations providers and customer surveys and mystery shopper programs. Franchisee agrees to pay for all costs associated with Franchisor's customer relations providers relating to customer complaints or issues arising from its operation of the Restaurant, including but not limited to the costs of gift cards or other remuneration given to customers needed to resolve the complaint.

(4) In order to (among other things) maintain and enhance the goodwill associated with the Proprietary Marks, the System and each Fridays Restaurant, Franchisee agrees to participate and request its customers to participate, at Franchisee's expense, in programs initiated by Franchisor to verify customer satisfaction and/or Franchisee's compliance with all operational and other aspects of the System, including (but not limited to) an 800 number, Franchisor's customer feedback and satisfaction programs, secret shoppers or other programs as Franchisor may require. Franchisor will share the results of these programs, as they pertain to the Restaurant, with Franchisee.

T. Inspections of the Restaurant.

(1) To determine whether Franchisee and the Restaurant are in compliance with this Agreement and with all System Standards, Franchisor or its designees shall have the right at any reasonable time and without prior notice to Franchisee to: (a) inspect the Premises; (b) observe, photograph and videotape the operations of the Restaurant for such consecutive or intermittent periods as Franchisor deems necessary; (c) remove samples of any food and beverage products, material or other inventory items for testing to determine if such samples meet the System Standards (without paying for the samples) and Franchisor may require Franchisee to bear the cost of such testing if Franchisor has not given consent to the supplier or if the sample fails to conform to Franchisor's specifications; (d) interview personnel and customers of the Restaurant; and (e) inspect and copy any books, records and documents relating to the operation of the Restaurant or, upon the request of Franchisor or its designee, require Franchisee to send copies thereof to Franchisor or its designee.

(2) Franchisee agrees to cooperate fully with Franchisor or its designee in connection with any such inspections, observations, videotaping, product removal and interviews. Following each inspection, Franchisor will provide Franchisee an inspection report listing Franchisee's score on the inspection and those conditions at the Restaurant that must be rectified. Franchisee shall take all necessary steps to immediately correct any deficiencies detected during these inspections, including, without limitation, ceasing further sale of unauthorized menu items (regardless of Franchisee's inventory) and ceasing further use of any equipment, advertising materials or supplies that do not conform with the standards and requirements promulgated by Franchisor from time to time.

(3) Recognizing that the failure of Franchisee to meet the System Standards may endanger the reputation and operations of other Fridays Restaurants and/or potentially endanger the general public, Franchisee and Franchisor agree that in the event that operations at the Restaurant fall below the System Standards, Franchisor may, in its sole discretion, in addition to and not in lieu of its right to terminate this Agreement pursuant to Section 21.B(11), require that Franchisee discontinue all operations at the Restaurant and close the Restaurant to the public until Franchisee is able to establish to Franchisor's reasonable satisfaction that operations at the Restaurant meet or exceed the System Standards.

(4) If Franchisee fails to achieve a passing score on an inspection, Franchisor may, in its sole discretion, require that Franchisee, the Operating Principal and/or one or more managerial employees of the Restaurant attend and successfully complete an additional Management Training Program to be held at a location designated by Franchisor. Franchisee shall pay a tuition charge as established by Franchisor from time to time for this training program and the travel, living, food and other incidental expenses incurred by Franchisee's employees while attending this training program.

(5) In addition, if Franchisee fails to achieve a passing score on an inspection, the inspection report shall constitute a notice of default. If Franchisee fails to achieve a passing score on the next inspection (which shall be conducted at least 30 days after Franchisee's receipt of the inspection report for the prior inspection), Franchisor may terminate this Agreement, without opportunity to cure, by providing Franchisee written notice of termination along with a copy of the inspection report.

U. Restaurant Management and Personnel.

(1) The Restaurant shall at all times be under the on-site supervision of the Operating Principal or a Validated Manager who must meet, to the satisfaction of Franchisor, Franchisor's applicable training qualifications for their designated position. Franchisee must, at all times, employ at least four Validated Managers for the Restaurant. Franchisor may require Franchisee to hire and train additional Validated Managers at any time based on the sales performance of the Restaurant. If, at any time, Franchisee ceases to employ at least four Validated Managers, Franchisee has 30 days (from the date on which Franchisee has less than four Validated Managers) to hire and enroll replacement managers in the Management Training Program. At Franchisee's option, the Operating Principal can be one of the Validated Managers.

(2) Franchisee (or, if applicable, the Operating Principal) shall remain active in overseeing the operations of the Restaurant, including, without limitation, regular, periodic visits to the Restaurant and sufficient communications with Franchisor to ensure that the Restaurant's operations comply with the System Standards as promulgated by Franchisor from time to time in the Manuals or otherwise in written or oral communications.

(3) Franchisee will have the sole authority and control over the day-to-day operations of the Restaurant and its employees. Franchisee shall hire all employees of the Restaurant and be exclusively responsible for the terms of their employment, including but not limited to their compensation, taxes, benefits, safety, work schedules, work conditions, assignments, discipline and termination, and for the proper training of such employees in the operation of the Restaurant. Franchisee shall establish at the Restaurant a Team Member Training Program for all employees that covers training for all System Standards as relevant to the employee's positions. Franchisor shall have the right to interview and consent to each Operating Principal, each Multi-Unit Manager (as described in Section 16.H), each Project Manager and all managers of the Restaurant. Franchisor shall endeavor to conduct such interviews at the Restaurant, but may require that such interviews occur at Franchisor's corporate headquarters. Franchisee shall bear all costs and expenses related to making these individuals available for such interviews. At no time will Franchisee or Franchisee's employees be deemed to be employees of Franchisor. Franchisor has no right or obligation to direct Franchisee's employees or to operate the Restaurant.

V. Liquor License.

The right to operate a Restaurant pursuant to this Agreement is conditioned upon the ability of Franchisee to obtain and maintain required state and/or local licenses permitting the sale of alcoholic

beverages at the Restaurant. Franchisee agrees to use its best efforts to obtain such licenses and maintain same in good standing during the Initial Term. In the event that Franchisee is prohibited by a governmental authority from offering alcoholic beverages at the Restaurant (other than routine occasions on which Franchisee is prohibited by applicable law from offering alcoholic beverages for sale from the Restaurant, such as a local prohibition on the sale of alcoholic beverages on Sunday), including, but not limited to, violations of federal, state or local liquor laws, then, at the option of Franchisor, this Agreement shall be immediately terminated upon receipt by Franchisee of written notice from Franchisor to such effect.

W. Control During Crisis Situation.

(1) Franchisee must comply at all times with Franchisor's then-current Crisis Response Manual. If an event occurs at the Restaurant that has or reasonably may cause harm or injury to customers, guests or employees in the sole opinion of Franchisor (*i.e.*, food spoilage/poisoning, food tampering/sabotage, slip and fall injuries, natural disasters, robberies, shootings, etc.) or may damage the Proprietary Marks, the System or the reputation of Franchisor (collectively "**Crisis Situation**"), Franchisee shall: (a) immediately contact appropriate emergency care providers to assist Franchisee in curing the harm or injury; and (b) immediately inform Franchisor by telephone of the Crisis Situation. Franchisee shall refrain from making any internal or external announcements (*i.e.*, no communication with the news media) regarding the Crisis Situation (unless otherwise directed by Franchisor or public health officials).

(2) To the extent Franchisor deems appropriate, in its sole and absolute discretion, Franchisor or its designee may control the manner in which the Crisis Situation is handled by the parties, including, without limitation, conducting all communication with the news media, providing care for injured persons and/or temporarily closing the Restaurant. The parties acknowledge that, in directing the management of any Crisis Situation, Franchisor or its designee may engage the services of attorneys, experts, doctors, testing laboratories, public relations firms and those other professionals as it deems appropriate. Franchisee and its employees shall cooperate fully with Franchisor or its designee in its efforts and activities in this regard and shall be bound by all further Crisis Situation procedures developed by Franchisor from time to time hereafter. The indemnification under Section 24 shall include all losses and expenses that may result from the exercise by Franchisor or its designee of the management rights granted in this Section 13.W.

X. Compliance with Laws and Good Business Practices, Taxes.

(1) Franchisee shall secure and maintain in force in its name all required licenses, permits and certificates relating to the operation of the Restaurant. Franchisee shall operate the Restaurant in full compliance with all applicable laws, ordinances and regulations including, without limitation, all laws or regulations governing or relating to the handling of food products, immigration and discrimination, occupational hazards and health insurance, employment and labor laws, including, without limitation, workers' compensation insurance, unemployment insurance, and the withholding and payment of federal and state income taxes, social security taxes and sales taxes. All advertising and promotion by Franchisee shall be completely factual and shall conform to the highest standards of ethical advertising. Franchisee shall, in all dealings with Franchisee's customers, suppliers and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. Franchisee agrees to refrain from any business or advertising practice that may be injurious to the goodwill associated with the Proprietary Marks or the business of Franchisor or its affiliates, the System or other restaurants operated or franchised by Franchisor or its affiliates.

(2) Franchisee shall promptly pay when due all taxes levied or assessed, including, without limitation, income, unemployment, and sales taxes, and all accounts and other indebtedness of every kind incurred by Franchisee in the conduct of the business franchised under this Agreement. Franchisee shall pay Franchisor an amount equal to any sales tax, gross receipts tax, or similar tax (other than income tax) imposed on Franchisor with respect to any payments to Franchisor required under this Agreement, unless the tax is credited against income tax otherwise payable by Franchisor.

(3) In the event of any bona fide dispute as to Franchisee's liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; however, in no event shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the premises of the Restaurant, or any improvements thereon.

(4) Franchisee shall notify Franchisor in writing within five days after the commencement of: (a) any action, suit or proceeding, or the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of Franchisee or the Restaurant; or (b) of any notice of violation of any law, ordinance or regulation relating to health or sanitation at the Restaurant.

14. PROPRIETARY MARKS

A. Scope.

The term "**Proprietary Marks**" as used in this Agreement refers to all words, symbols, insignia, devices, designs, trade names, service marks or combinations thereof designated by Franchisor as identifying the System and the products sold and services provided in connection with the System. Franchisor shall, from time to time, advise Franchisee as to any additions or deletions to the Proprietary Marks, and Franchisee's right to use the Proprietary Marks shall be deemed modified by those additions or deletions.

B. Limited Right To Use Proprietary Marks.

Franchisee's right to use the Proprietary Marks is limited to its use of the Proprietary Marks in the operation of the Restaurant at the Premises and as expressly provided in this Agreement and the Manuals. Franchisee shall not use the Proprietary Marks on any vehicles without Franchisor's prior written approval. Franchisee shall not modify the Proprietary Marks in any manner in connection with Franchisee's display of, or creation or duplication of materials bearing, the Proprietary Marks. Franchisee shall not use the Proprietary Marks or any variations of the Proprietary Marks or marks or names confusingly similar to the Proprietary Marks in any manner not authorized by Franchisor or in any corporate, limited liability company, partnership, fictitious, DBA or other name and shall not use any other trade names, service marks or trademarks in conjunction with the Restaurant. If local laws or ordinances require that Franchisee file an affidavit of doing business under an assumed name or otherwise make a filing indicating that the Proprietary Marks are being used as a fictitious or assumed name, Franchisee shall include in such filing or application an indication that the filing is made "as a franchisee of TGI Fridays Franchisor, LLC." Franchisee shall use the symbol ® with all registered marks and the symbol ™ with all pending registrations or other marks. During the Initial Term, Franchisee shall identify itself as a franchisee of Franchisor (1) in conjunction with any use of the Proprietary Marks including, without limitation, invoices, order forms, receipts, contracts, stationary and business cards; (2) in a notice of such content and form and at conspicuous locations in the Restaurant as Franchisor may designate in writing; and (3) on any authorized delivery vehicles.

C. Use of the Proprietary Marks in Digital Media.

Franchisee shall not use the Proprietary Marks or any variations of the Proprietary Marks or marks or names confusingly similar to the Proprietary Marks in any manner not authorized by Franchisor in writing as part of any Digital Media, including but limited to any URL, domain name, meta-tag, download, application, posting, directory listing, screen name, anonymous name, blog, vlog, e-mail account, instant messaging account, texting identity, user generated content, or any other identification of Franchisee or the Restaurant in any electronic medium (collectively, and individually, "**Electronic Identifiers**"). Franchisor may grant or withhold its consent in its sole discretion and may condition its consent on such requirements as Franchisor deems appropriate, including, among other things, that Franchisee obtain Franchisor's prior written approval of: (a) any and all Electronic Identifiers related to the Restaurant; (b) the proposed form and content (including any visible and non-visible content such as meta-tags) of any Digital Media or Franchisee's Social Media related to the Restaurant (including any modification thereof); (c) Franchisee's use of any hyperlinks or other links; and (d) Franchisee's use of any materials (including text, video clips, photographs, images and sound bites) in which any third party has an ownership interest.

D. Modifications to Proprietary Marks.

If Franchisor should elect to use a principal name other than "TGI Fridays" to identify the System, Franchisor may select another name and notify Franchisee to change all or some items bearing the Proprietary Marks to the new name within a reasonable period of time as determined by Franchisor without Franchisor incurring any liability to Franchisee, and Franchisee promptly shall adopt that name. Franchisee agrees that nothing in this Agreement gives it any right, title or interest in the Proprietary Marks (except the right to use the Proprietary Marks in accordance with the terms of this Agreement), that the Proprietary Marks are the sole property of Franchisor and its affiliates, that Franchisee shall not directly or indirectly contest the validity or ownership of the Proprietary Marks or Franchisor's right to license the Proprietary Marks, and that any and all uses by Franchisee of the Proprietary Marks and the goodwill arising therefrom shall inure exclusively to the benefit of Franchisor and its affiliates. Franchisee will not seek to register, reregister, assert claim to ownership of, license or allow others to use, or otherwise appropriate to itself, any of the Proprietary Marks or any mark or name confusingly similar thereto, or the goodwill symbolized by any of the foregoing except to the extent this action inures to the benefit of, and has the prior written approval of, Franchisor. Any unauthorized use of the Proprietary Marks by Franchisee or attempt by Franchisee, directly or indirectly, to register the Proprietary Marks in any jurisdiction shall constitute a breach of this Agreement and an infringement of Franchisor's rights in and to the Proprietary Marks.

E. Notice of Infringement.

Franchisee promptly shall inform Franchisor in writing as to any infringement of the Proprietary Marks of which Franchisee has knowledge. Franchisee shall not make any demand or serve any notice, orally or in writing, or institute any legal action or negotiate, compromise or settle any controversy with respect to any such infringement without first obtaining Franchisor's written approval. Franchisor shall have the right, but not the obligation, to bring such action or take such steps as it may deem advisable to prevent any such infringement and to join Franchisee as a party to any action in which Franchisor is or may be a party and as to which Franchisee is or would be a necessary or proper party. Franchisee also shall promptly notify Franchisor of any litigation (including administrative or arbitration proceedings) of which Franchisee is aware instituted against Franchisor, its affiliates or Franchisee relating to the Proprietary Marks. Franchisee shall execute any and all instruments and documents, render such other assistance and do any acts and things as may, in the opinion of Franchisor's counsel, be necessary or

advisable to protect and maintain Franchisor's interests in the Proprietary Marks, including, without limitation, Franchisor's interests in litigation or proceedings before the U.S. Patent and Trademark Office or other tribunal relating to the Proprietary Marks.

15. INSURANCE

A. Procurement of Insurance by Franchisee.

Franchisee shall be responsible for all loss or damage arising from or related to Franchisee's development and operation of the Restaurant, and for all demands or claims with respect to any loss, liability, personal injury, death, property damage, or expense whatsoever occurring upon the premises of, or in connection with the development or operation of, the Restaurant. When Franchisee commences construction of the Restaurant, Franchisee shall obtain and, throughout the Initial Term, shall maintain in full force and effect that insurance which is required by law or which Franchisee determines is necessary or appropriate for liabilities caused by or occurring in connection with the development or operation of the Restaurant which shall include, at a minimum, insurance policies of the kinds, and in the amounts, required by Section 15.B. Franchisor, TGI Friday's Inc., a New York corporation, and any entity with an insurable interest designated by Franchisor, shall be named as an additional insured in such policies (with the exception of workers' compensation insurance).

B. Minimum Insurance Requirements.

All insurance policies shall be written by an insurance company or companies satisfactory to Franchisor, in compliance with the standards, specifications, coverages and limits Franchisor prescribes at any time and from time to time in the Manuals or otherwise provided to Franchisee in writing. Franchisor may periodically increase the minimum required coverage and require different or additional kinds of insurance (including reasonable excess liability insurance, employment practices liability insurance and cyber security insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. Franchisee shall receive written notice of such modifications and shall take prompt action to secure the additional coverage or higher policy limits. These policies shall include, at a minimum, the following:

(1) Commercial General Liability Insurance providing coverage for bodily injury, personal injury, advertising injury, property damage, products liability, contractual liability, completed operations with a limit of not less than \$10,000,000, auto liability insurance on owned, non-owned and hired automobiles with a limit of not less than \$10,000,000 and liquor liability/dram shop insurance with a minimum limit of \$10,000,000. This insurance shall be on an occurrence based policy form, and may be provided by a combination of primary and excess liability policies;

(2) Worker's Compensation Insurance in such amount as may be required by applicable statute or rule, Unemployment Insurance and State Disability Insurance (as required by governing law) for Franchisee's employees, and employer's liability insurance with a limit of not less than \$1,000,000;

(3) "All Risk" Property Insurance on the Premises with replacement costs coverage and business interruption insurance covering Franchisor's fees, with Franchisor named as a loss payee on the policy with respect to those fees;

(4) Builder's All Risk Insurance in connection with initial construction, a Facilities Remodeling, relocation or any other substantial construction of the Restaurant. Franchisee shall also

maintain performance and completion bonds in forms and amounts, and written by carrier(s), reasonably satisfactory to Franchisor;

(5) Business Interruption Insurance to cover the rent of the Premises, previous profit margins, maintenance of competent personnel and other fixed expenses for the duration of the interruption to the Restaurant's operation;

(6) Employment Practices Liability Insurance to cover an employer against employment claims made by employees with a limit of not less than \$1,000,000;

(7) Cyber Liability Insurance to cover a business' liability for a data breach with a limit of not less than \$1,000,000;

(8) Insurance coverage of such type, nature and scope sufficient to satisfy Franchisee's indemnification obligations under Section 24.B below; and

(9) Any additional insurance required by Franchisee's landlord or master landlord under the Occupancy Contract.

C. General Insurance Requirements.

The following general requirements shall apply to each insurance policy that Franchisee is required to maintain under this Agreement:

(1) Each liability insurance policy shall be specifically endorsed to provide that the coverages shall be primary and that any insurance carried by Franchisor shall be excess and non-contributory. No insurance policy shall contain a provision that in any way limits or reduces coverage for Franchisee in the event of a claim by Franchisor or its affiliates. Each liability insurance policy shall contain either a "cross-liability" or a "separation of insureds" provision.

(2) Each insurance policy shall extend to, and provide indemnity for, all obligations and liabilities of Franchisee to third parties and all other items for which Franchisee is required to indemnify Franchisor under this Agreement.

(3) Each insurance policy shall be written by an insurance company that has received and maintains an A.M. Best Rating of "(A) VII" or better (or comparable ratings from a reputable insurance rating service, in the event such A.M. Best ratings are discontinued or materially altered).

(4) No insurance policy shall provide for a deductible amount that exceeds \$5,000, unless otherwise approved in writing by Franchisor. Coinsurance shall not apply under any insurance policy.

(5) Required coverage shall include insurers' waiver of subrogation against Franchisor and Franchisee shall waive rights of recovery against Franchisor.

D. Proof of Insurance.

No later than 30 days after the earlier of the date that Franchisee commences construction or renovation of the Restaurant or opens the Restaurant, and on each policy renewal date thereafter,

Franchisee shall submit evidence of satisfactory insurance and proof of payment therefor to Franchisor. Upon request, Franchisee also shall provide to Franchisor copies of all or any policies, and policy amendments and riders.

E. No Representations.

Franchisee acknowledges that no requirement for insurance contained in this Agreement constitutes advice or a representation by Franchisor that only such policies, in such amounts, are necessary or adequate to protect Franchisee from losses in connection with its business under this Agreement. Maintenance of this insurance, and the performance by Franchisee of its obligations under this Section, shall not relieve Franchisee of liability under the indemnification provisions of this Agreement.

F. Procurement of Insurance by Franchisor.

Should Franchisee, for any reason, fail to procure or maintain at least the insurance required by this Section 15, as revised from time to time pursuant to the Manuals or otherwise in writing, Franchisor shall have the immediate right and authority, but not the obligation, to procure such insurance and charge its cost to Franchisee. Franchisee shall reimburse Franchisor for all out-of-pocket costs incurred by Franchisor in obtaining such insurance on behalf of Franchisee immediately upon Franchisee's receipt of an invoice therefor.

G. Blanket Insurance Policies.

These insurance requirements may be satisfied by maintaining either individual policies covering only the Restaurant, or blanket insurance policies covering multiple properties, provided that with respect to any blanket insurance policies Franchisee agrees to either immediately reinstate any limits and coverages which are used, reduced or cancelled back up to the blanket policy limits approved by Franchisor, or to secure individual policy coverages for the Restaurant satisfying these insurance requirements. Franchisee will deliver to Franchisor a schedule of insured locations under any blanket insurance policy together with the related certificates of insurance.

16. ORGANIZATION OF FRANCHISEE

A. Representations.

(1) If Franchisee is a corporation, a limited liability company or a partnership, Franchisee makes the following representations and warranties: (a) it is duly organized and validly existing under the laws of the state of its formation; (b) it is qualified to do business in the state in which the Restaurant is located; (c) execution of this Agreement and the development and operation of the Restaurant is permitted by its governing documents; and (d) unless waived in writing by Franchisor, Franchisee's articles of incorporation, articles of organization or written partnership agreement shall at all times provide that: (i) the activities of Franchisee are limited exclusively to the development and operation of Fridays Restaurants and other restaurants operated by Franchisee that are franchised by Franchisor or its affiliates; and (ii) all transfers of ownership in Franchisee are subject to the terms of this Agreement.

(2) If Franchisee is an individual, or a partnership comprised solely of individuals, Franchisee makes the following additional representations and warranties: (a) each individual has executed this Agreement; (b) each individual shall be jointly and severally bound by, and personally

liable for the timely and complete performance of, each and every provision of this Agreement; and (c) notwithstanding any Transfer for convenience of ownership, pursuant to Section 18.D, each individual shall continue to be jointly and severally bound by, and personally liable for the timely and complete performance of, each and every provision of this Agreement.

B. Governing Documents.

If Franchisee is a corporation, copies of Franchisee's articles of incorporation, bylaws, other governing documents and any amendments, including the resolution of the Board of Directors and all stockholders authorizing entry into and performance of this Agreement, and all shareholder agreements, including buy/sell agreements, have been furnished to Franchisor. If Franchisee is a limited liability company, copies of Franchisee's articles of organization, management agreement, other governing documents and any amendments, including the resolution of the managers authorizing entry into and performance of this Agreement, and all agreements, including buy/sell agreements, among the members have been furnished to Franchisor. If Franchisee is a partnership, copies of Franchisee's written partnership agreement, other governing documents and any amendments, as well as all agreements among the partners, including buy/sell agreements, have been furnished to Franchisor, in addition to evidence of consent or approval of the entry into and performance of this Agreement by the requisite number or percentage of partners, if that approval or consent is required by Franchisee's written partnership agreement. When any of these governing documents are modified or changed, Franchisee promptly shall provide copies to Franchisor.

C. Ownership Interests.

If Franchisee is a corporation, a limited liability company or a partnership, Franchisee must identify all of its owners in attached Exhibit D. In addition, if Franchisee is a corporation, Franchisee shall maintain a current list of all owners of record and all beneficial owners of any class of voting securities of the corporation (and the number of shares owned by each). If Franchisee is a limited liability company, Franchisee shall maintain a current list of all members (and the percentage membership interest of each member). If Franchisee is a partnership, Franchisee shall maintain a current list of all owners of an interest in the partnership (and the percentage ownership of each owner). Franchisee shall comply with Section 18 prior to any change in ownership interests and shall execute addenda to Exhibit D as changes occur in order to ensure the information contained in Exhibit D is true, accurate and complete at all times.

D. Restrictive Legend.

If Franchisee is an entity, the stock certificates, member certificates, or partnership agreement shall have the following statement: "Any assignment or transfer of any ownership interest in the entity is subject to the restrictions imposed on assignment by the TGI Fridays Restaurant Franchise Agreement(s) to which this entity is a party."

E. Representative.

Franchisee shall designate a Principal Owner as Franchisee's representative who is authorized to act on behalf of, and bind, Franchisee with respect to this Agreement ("**Representative**"). The Representative shall be identified in Exhibit D as it may be revised from time to time. Any replacement Representative shall be designated within 10 days of the prior Representative's resignation or termination. Each Representative shall attend and successfully complete Franchisor's Owner's Orientation Program.

F. Guaranties; Confidentiality and Non-Compete Covenants.

(1) All of Franchisee's officers, directors and Principal Owners (and their spouses) also shall jointly and severally guarantee Franchisee's payment and performance under this Agreement and also shall bind themselves to the terms of this Agreement pursuant to the attached Guaranty and Assumption of Franchisee's Obligations ("**Guaranty**"). Notwithstanding the foregoing, Franchisor reserves the right, in its sole discretion, to waive the requirement that some or all of the previously described individuals execute the attached Guaranty. Franchisor reserves the right to require any guarantor to provide personal financial statements to Franchisor from time to time. Franchisee acknowledges that, unless otherwise agreed to in writing by Franchisor, Franchisor requires individuals (and not solely corporations, limited liability companies or other entities) to execute the Guaranty. Accordingly, if any Principal Owner is not an individual, Franchisor shall have the right to have the Guaranty executed by individuals who have only an indirect ownership interest in Franchisee.

(2) If Franchisee, any guarantor or any parent, subsidiary or affiliate of Franchisee holds any interest in other restaurants that are franchised by Franchisor or its affiliates, the party who owns that interest shall execute, concurrently with this Agreement, a form of cross-guaranty to Franchisor and its affiliates for the payment of all obligations for such restaurants, unless waived in writing by Franchisor in its sole discretion. For purposes of this Agreement, an affiliate of Franchisee is any company controlled, directly or indirectly, by Franchisee or Franchisee's parent or subsidiary.

(3) Any direct or indirect owner of Franchisee who is not a Principal Owner but who has access to Confidential Information or who has an active role in the operation or management of the Restaurant must execute a Non-Disclosure and Non-Competition Agreement in the form attached as Exhibit G.

G. Operating Principal.

(1) If Franchisee is owned by more than one individual, Franchisee shall designate and retain the individual identified in Exhibit D (as it may be revised from time to time) to serve as the "**Operating Principal**." Unless waived in writing by Franchisor, the Operating Principal shall meet all of the following qualifications:

(a) The Operating Principal, at all times, shall have at least a 5% equity ownership interest in Franchisee. This Section 16.G(1)(a) shall not apply if Franchisee was a publicly-held entity or a wholly-owned subsidiary of a publicly-held entity as of the date of the first franchisee-related agreement between Franchisee and Franchisor.

(b) The Operating Principal must sign the attached Guaranty.

(c) The Operating Principal, at all times, shall have full control over the day-to-day activities, including operations, of the Restaurant, including control over the standards of operation and financial performance.

(d) The Operating Principal shall devote full-time and reasonable efforts to supervising the operation of the Restaurant and shall not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility.

(e) The Operating Principal shall maintain a primary residence within a reasonable driving distance of the Restaurant.

(f) The Operating Principal shall successfully complete the Management Training Program (either the full Management Training Program or a modified version of the Management Training Program to meet the specific needs of the trainee, as deemed appropriate by Franchisor in its sole discretion) and any additional training required by Franchisor.

(g) The Operating Principal shall have been approved by Franchisor in its sole discretion, with said approval not being later withdrawn. If the Operating Principal no longer qualifies as such, Franchisee shall designate another qualified person to act as Operating Principal within 30 days after the date the prior Operating Principal ceases to be qualified. Franchisee's designee to become the Operating Principal must successfully complete the Management Training Program. Following Franchisor's approval of a new Operating Principal, that person shall execute the attached form of Guaranty and satisfy all other requirements stated in this Section 16.G.

H. Multi-Unit Manager.

(1) In the event this Agreement is for the third or any additional Fridays Restaurant to be operated by Franchisee and its affiliates, Franchisee shall designate a Multi-Unit Manager. The Multi-Unit Manager shall be identified in Exhibit D as it may be revised from time to time. Additional Multi-Unit Managers shall be designated from time to time as reasonably required by Franchisor.

(a) The Multi-Unit Manager must sign the Non-Disclosure and Non-Competition Agreement attached as Exhibit G.

(b) The Multi-Unit Manager shall devote full-time and reasonable efforts to supervising the operation of the Restaurant and those other restaurants (that are franchised by Franchisor or its affiliates) operated by Franchisee in the same geographic area as the Restaurant and shall not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility. The Multi-Unit Manager shall maintain a primary residence within a reasonable driving distance of the Restaurants.

(c) The Multi-Unit Manager shall successfully complete the Management Training Program (either the full Management Training Program or a modified version of the Management Training Program to meet the specific needs of the trainee, as deemed appropriate by Franchisor in its sole discretion) and any additional training required by Franchisor. Franchisor shall have approved the Multi-Unit Manager, and not have later withdrawn that approval.

(2) If the Multi-Unit Manager no longer qualifies as such, Franchisee shall designate another qualified person to act as Multi-Unit Manager within 30 days after the date the prior Multi-Unit Manager ceases to be qualified. Franchisee's designee to become the Multi-Unit Manager must successfully complete the Management Training Program. Following Franchisor's approval of a new Multi-Unit Manager, that person shall execute the Non-Disclosure and Non-Competition Agreement attached as Exhibit G and satisfy all other requirements stated in this Section 16.H.

17. TRANSFERS BY FRANCHISOR

Franchisor has the absolute, unrestricted right, exercisable at any time, to change its ownership or form and/or transfer and assign all or any part of its rights and obligations under this Agreement to any person or legal entity without Franchisee's consent. After Franchisor's transfer or assignment of this Agreement to a third party who expressly assumes Franchisor's obligations under this Agreement, Franchisor no longer will have any performance or other obligations under this Agreement.

18. TRANSFERS BY FRANCHISEE

A. Franchisor's Prior Written Approval Required.

(1) Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and that Franchisor has entered into this Agreement in reliance on Franchisee's business skill, financial capacity, personal character, experience and demonstrated or purported ability in developing and operating high quality foodservice operations. Accordingly, neither Franchisee nor any immediate or remote successor to any part of Franchisee's interest in this Agreement, nor any individual, partnership, corporation or other legal entity which directly or indirectly controls Franchisee shall sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any interest in Franchisee, this Agreement, the Franchise, the Restaurant, the assets of the Restaurant, the Premises or any other assets pertaining to Franchisee's operations under this Agreement (collectively "**Transfer**") without the prior written consent of Franchisor.

(2) Except as otherwise provided in this Agreement, any purported Transfer, by operation of law or otherwise, not having the prior written consent of Franchisor shall be null and void and shall constitute a material breach of this Agreement, for which Franchisor may terminate this Agreement without providing Franchisee an opportunity to cure the breach.

B. Transfer Considerations.

Franchisee shall advise Franchisor in writing of any proposed Transfer, submit (or cause the proposed transferee to submit) (1) a franchise application for the proposed transferee; (2) a copy of all contracts and all other agreements or proposals; (3) a nonrefundable Transfer fee in the amount of \$5,000 in connection with Franchisor's review of the Transfer application; (4) background investigation fees in the amount of \$10,000 per transferee entity, and each individual equity holder in transferee, who are international candidates; and (5) all other information requested by Franchisor, relating to the proposed Transfer. If, in connection with the Transfer, Franchisor incurs out-of-pocket expenses in excess of the Transfer fee in Section 18.B(iii), Franchisee must reimburse Franchisor for those expenses upon receipt of written notice from Franchisor. If the cost for any background investigation conducted under Section 18.B(iv) is less than \$10,000, Franchisor may refund that unused portion to transferee. If Franchisor does not exercise its right of first refusal under Section 18.K below, the decision as to whether or not to approve a proposed Transfer shall be made by Franchisor in its sole discretion and shall include numerous factors deemed relevant by Franchisor. These factors may include, but will not be limited to, the following:

(1) The proposed transferee (and if the proposed transferee is other than an individual, such owners of an interest in the transferee as Franchisor may request) must demonstrate that it has extensive experience in high quality restaurant operations of a character and complexity similar to the restaurants franchised by Franchisor or its affiliates; meets the managerial, operational, experience, quality, character and business standards for a franchisee promulgated by Franchisor from time to time; possesses a good character, business reputation and credit rating; has an organization whose management culture is compatible with Franchisor's management culture; has adequate infrastructure to operate the Restaurant; and has adequate financial resources and working capital to meet Franchisee's obligations under this Agreement.

(2) The sales price shall not be so high, in Franchisor's reasonable judgment, as to jeopardize the ability of the transferee to develop, maintain, operate and promote the Restaurant and meet financial obligations to Franchisor, third party suppliers and creditors.

(3) All of Franchisee's accrued monetary obligations to Franchisor and its affiliates (whether arising under this Agreement or otherwise) and all other outstanding obligations related to the Restaurant (including, but not limited to, bills from suppliers, taxes, judgments and any required governmental reports, returns, affidavits or bonds) have been satisfied or, in the reasonable judgment of Franchisor, adequately provided for. Franchisor reserves the right to require that a reasonable sum of money be placed in escrow to ensure that all of these obligations are satisfied.

(4) Franchisee is not then in material default of any provision of this Agreement or any other agreement between Franchisee and Franchisor or its affiliates, is not in default beyond the applicable cure period under any real estate lease, equipment lease or financing instrument relating to the Restaurant and is not in default beyond the applicable cure period with any vendor or supplier to the Restaurant.

(5) Franchisee, all individuals who executed this Agreement, all guarantors of Franchisee's obligations, the proposed transferee and any other individuals or entities required by Franchisor must execute a general release and a covenant not to sue, in a form satisfactory to Franchisor.

(6) Unless waived by Franchisor in its sole discretion, the transferee and those employees of the transferee designated by Franchisor shall complete the training provided in Section 11.

(7) The transferee, at its expense, shall repair or replace any equipment, signs, interior and exterior décor items, fixtures and furnishings at the Restaurant as required by Franchisor, shall offer such products and services at the Restaurant as then required by Franchisor, and shall make any modifications or upgrades required for the Restaurant to comply with the current image of the System.

(8) Franchisee, Franchisee's Principal Owners and the proposed transferee shall comply with any other conditions that Franchisor reasonably requires from time to time as part of Franchisor's transfer policies including without limitation, evidence of third party consents to the Transfer (such as landlord, suppliers, vendors, etc.), subordination of the purchase price to monetary obligations owed by the transferee to Franchisor after the Transfer, execution of confidentiality, non-competition covenants as required by Franchisor, and disclosures, consents and releases for background investigations if the transferee or any of its equity holders are non-United States residents and/or non-United States citizens.

C. Conditions of Transfer.

If Franchisor approves a proposed Transfer, prior to the Transfer becoming effective:

(1) Franchisee and the proposed transferee shall execute, at Franchisor's election, either an assignment agreement and any amendments to this Agreement deemed necessary or desirable by Franchisor to reflect the Transfer or Franchisor's then-current standard form of franchise agreement for an initial term ending on the expiration date of the Initial Term of this Agreement. In either event, a guaranty of the type required by Section 16.F shall be executed by those individuals identified in Section 16.F and a non-disclosure and non-competition agreement executed by any person as required by Franchisor.

(2) The transferor must remain liable to Franchisor for any obligations that arose prior to the Transfer and the transferor shall, at Franchisor's request, execute a written guaranty pursuant to which the transferor shall remain liable for all obligations to Franchisor incurred before the date of the Transfer and for a period of two years following such Transfer.

D. Transfers for Convenience of Ownership.

If Franchisee is an individual or a partnership and desires to Transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership, the requirements of Sections 18.B and 18.C shall apply to such a Transfer; however, Franchisee will not be required to pay a Transfer fee. Franchisor's approval also will be conditioned on the following: (1) the corporation or limited liability company must be newly organized; (2) prior to the Transfer, Franchisor must receive a copy of the documents specified in Section 16.B and the transferee shall comply with the remaining provisions of Section 16; and (3) Franchisee must own all voting securities of the corporation or membership interests of the limited liability company or, if Franchisee is owned by more than one individual, each person shall have the same proportionate ownership interest in the corporation or the limited liability company as prior to the Transfer.

E. Issuance or Exercise of Stock Options.

Notwithstanding the provisions of Section 18.B, the issuance of options or the exercise of options pursuant to a qualified stock option plan or a qualified employee stock ownership plan shall not be considered a Transfer and shall not require the prior written approval of Franchisor; provided no more than a total of 49% of Franchisee's outstanding voting securities are subject to the qualified stock option plan or qualified employee stock ownership plan.

F. Changes in Ownership of Voting Securities.

If Franchisee was a publicly-held entity as of the date of the first franchise-related agreement between Franchisee and Franchisor or its affiliates, Section 18.B shall be applicable to transfers of ownership interests in Franchisee only if the proposed Transfer would result in either: (1) 50% or more of Franchisee's voting securities being held by different shareholders than as of the date of the first franchise-related agreement between Franchisee and Franchisor or its affiliates; or (2) any change in ownership of Franchisee's voting securities whereby any existing shareholder of Franchisee acquires an additional 10% or more of Franchisee's voting securities.

G. Transfers Permitted Without Franchisor's Prior Written Approval.

Notwithstanding the provisions of Section 18.B, Franchisor's prior written approval is not required if: (1) the Transfer is a Transfer of an ownership interest in Franchisee of less than 10% and, after that Transfer, the original owners of Franchisee own at least 51% of Franchisee; and (2) Franchisee provides Franchisor's written notice of Franchisee's intent to undertake the Transfer at least 30 days prior to the effective date of the Transfer, together with documents demonstrating that the Transfer meets the requirements of this Section; and (3) at the time of Franchisee's notice to Franchisor, Franchisee is not in default of this Agreement or any other agreements between Franchisee and Franchisor or its affiliates.

H. Transfer on Death or Disability.

Franchisor shall consent to a Transfer of an equity ownership interest in Franchisee following the death or permanent disability of Franchisee or an equity owner of Franchisee provided that:

(1) immediately prior to and after the Transfer, the transferee franchisee meets Franchisor's then-current financial, operational and experience standards for new franchisees; and (2) such Transfer is completed within six months following the death or permanent disability. Failure to complete the Transfer as required by this Section 18.H within this period of time will constitute a breach of this Agreement. A person shall be deemed to have a "permanent disability" if he or she has any physical, emotional or mental injury, illness or incapacity which would prevent the afflicted person from performing his obligations under this Agreement for more than 90 consecutive days as determined by a licensed physician selected by Franchisor. Franchisee or any equity owner of Franchisee refusing to submit to examination with respect to a permanent disability shall be deemed permanently disabled.

I. Grant of Security Interest.

Franchisee shall not grant any security interest in its business, the Restaurant, the Premises or the assets used in the operation or development of the Restaurant without Franchisor's prior written approval. Franchisor's approval may be conditioned, in its sole discretion, on the written agreement by the secured party that, in the event of a default by Franchisee under any agreement related to the security interest, Franchisor shall have the right and option (but not the obligation) to purchase the rights of the secured party upon payment of all sums then due to the secured party.

J. Offerings by Franchisee.

Securities or partnership interests in Franchisee may be sold, by private or public offering, only with Franchisor's prior written consent (whether or not Franchisor's consent is required under any other provision of this Section). In addition to the requirements of Section 18.B, at least 30 days before any public offering or private placement of securities or partnership interests in Franchisee is made available to potential investors, Franchisee, at its expense, shall deliver to Franchisor a copy of the offering documents. Franchisee, at its expense, also shall deliver to Franchisor an opinion of Franchisee's legal counsel and an opinion of one other legal counsel selected by Franchisor (both of which shall be addressed to Franchisor and in a form acceptable to Franchisor) that the offering documents properly use the Proprietary Marks and accurately describe Franchisee's relationship with Franchisor and/or its affiliates. The indemnification provisions of Section 24.B shall also include any losses or expenses incurred by Franchisor and/or its affiliates in connection with any statements made by or on behalf of Franchisee in any public offering or private placement of Franchisee's securities. For each proposed offering, Franchisee shall pay to Franchisor a non-refundable fee of \$15,000 when Franchisee submits the offering documents to Franchisor.

K. Fridays' Right of First Refusal.

(1) If any party holding any interest in Franchisee, this Agreement, the Restaurant, or the Premises, receives a bona fide offer (as determined by Franchisor in its reasonable discretion) from a third party or otherwise desires to undertake any Transfer that would require Franchisor's approval (other than a Transfer for convenience of ownership pursuant to Section 18.D or a sale of ownership interests in Franchisee to a spouse, parent, adult child or adult sibling), that party shall notify Franchisor in writing of the terms of the proposed Transfer, and shall provide such information and documentation relating to the proposed Transfer as Franchisor may reasonably require. Franchisor or its designee may elect to purchase the interest that the seller proposes to Transfer any time within 30 days after receipt of written notification, and all documents and other information required by Franchisor, by sending written notice to the seller that Franchisor or its designee intends to purchase the seller's interest on the same financial terms and conditions offered by the third party (except that Franchisor or its designee shall not be obligated to pay any finder's or broker's fees). In purchasing the interest, Franchisor or its designee

shall be entitled to set off any monies owed to Franchisor and/or its affiliates by Franchisee and Franchisor or its designee shall be entitled to all customary representations and warranties that the assets are free and clear (or, if not, accurate and complete disclosure) as to: (a) ownership, condition and title; (b) liens and encumbrances; (c) environmental and hazardous substances; and (d) validity of contracts inuring to the purchaser or affecting the assets, whether contingent or otherwise.

(2) If the offer to Franchisee involves assets in addition to this Agreement, the Premises, the Restaurant and other restaurants operated by Franchisee that are franchised by Franchisor or its affiliates, Franchisee's notice to Franchisor shall state the cash value of that portion of the offer received by Franchisee relating to this Agreement, the Premises, the Restaurant and those other restaurants. If the proposed Transfer provides for payment of consideration other than cash or it involves intangible benefits, Franchisor or its designee may elect to purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties are unable to agree within 30 days on the reasonable equivalent in cash of the non-cash part of the offer received by Franchisee or the cash value of that portion of the offer received by Franchisee relating to this Agreement, the Premises, the Restaurant and those other restaurants, the amount shall be determined by two professionally certified appraisers, Franchisee selecting one and Franchisor or its designee selecting one. If the amounts set by the two appraisers differ by more than 10%, the two appraisers shall select a third professionally certified appraiser who also shall determine the amount. The average value set by the appraisers (whether two or three appraisers as the case may be) shall be conclusive and Franchisor or its designee may exercise its right of first refusal within 30 days after being advised in writing of the decision of the appraisers. The cost of the appraisers shall be shared equally by the parties.

(3) Franchisor's failure to exercise its right of first refusal shall not constitute approval of the proposed Transfer nor a waiver of any other provision of this Section 18 with respect to a proposed Transfer. If Franchisor does not exercise its right of first refusal, Franchisee may not thereafter Transfer the interest at a lower price or on more favorable terms than those that have been offered to Franchisor. Franchisor shall again be given a right of first refusal if a transaction does not close within six months after Franchisor elected not to exercise its right of first refusal. Franchisee shall not, at any time, offer any interest for sale or transfer at public auction, nor make an offer to the public to sell, transfer or assign, through any advertisement, either in the newspapers or otherwise, without first having obtained the written approval of Franchisor to the auction or advertisement.

L. No Waiver.

Franchisor's consent to any Transfer shall not constitute a waiver of any claims Franchisor may have against the transferring party or transferee, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee, nor will it be deemed a waiver of Franchisor's right to give or withhold approval to future Transfers.

M. No Liability.

Franchisor's decision with respect to a proposed Transfer shall not create any liability on the part of Franchisor: (1) to the transferee, if Franchisor approves the Transfer and the transferee experiences financial difficulties; or (2) to Franchisee, the transferring party or the proposed transferee, if Franchisor disapproves the Transfer pursuant to this Section 18 or for other legitimate business purposes. Franchisor, without any liability to Franchisee, the transferring party or the proposed transferee, has the right, in its sole discretion, to communicate and counsel with Franchisee and the proposed transferee regarding any aspect of the proposed Transfer.

19. GENERAL RELEASE

Franchisee (on behalf of itself and its parent, subsidiaries and affiliates and their respective past and present members, officers, directors, shareholders, agents and employees, in their corporate and individual capacities), all individuals who execute this Agreement and all guarantors of Franchisee's obligations under this Agreement (collectively "**Releasors**"), freely and without any influence, forever release and covenant not to sue Franchisor, its parent, subsidiaries and affiliates, including without limitation, TGI Friday's Inc., and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities (collectively "**Releasees**") with respect to any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively "**claims**"), that any Releasor now owns or holds, or may at any time have owned or held, up to and including the date of this Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, claims for contribution, indemnity and/or subrogation, and claims arising out of, or relating to this Agreement and all other agreements between any Releasor and any Releasee, the sale of a franchise to any Releasor, the development and operation of the Restaurant and the development and operation of all other restaurants operated by any Releasor that are franchised by any Releasee. Notwithstanding any provision to the contrary in this Section 19, this General Release does not release any claims arising from representations made in Franchise Disclosure Document or its exhibits or otherwise impair or affect any claims arising after the date of this Agreement. **TO THE EXTENT APPLICABLE, FRANCHISEE, EACH PRINCIPAL OWNER AND EACH GUARANTOR INTEND THIS SECTION TO COVER, ENCOMPASS, RELEASE AND EXTINGUISH ALL CLAIMS AND MATTERS THAT MIGHT OTHERWISE BE RESERVED BY CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED THE SETTLEMENT WITH THE DEBTOR."**

20. COVENANTS

A. Best Efforts.

During the Initial Term, Franchisee shall devote its best efforts to the development, management and operation of the Restaurant.

B. Confidentiality.

(1) As used in this Agreement, the term "**Confidential Information**" includes the System, the Manuals, the System Standards, written directives and all drawings, equipment, recipes, computer and point of sale programs (and output from such programs), and any other information, know-how, techniques, trade secrets, material and data imparted or made available by Franchisor which is (a) designated as confidential; (b) known by Franchisee to be considered confidential by Franchisor; or (c) by its nature inherently or reasonably considered confidential.

(2) Franchisee acknowledges and agrees that: (a) Franchisor owns all right, title and interest in and to the Confidential Information; (b) the Confidential Information gives Franchisor and its affiliates a competitive advantage; (c) Franchisor and its affiliates have taken all measures necessary to protect the Confidential Information; (d) all Confidential Information now or hereafter provided or disclosed to Franchisee is disclosed in confidence; (e) Franchisee has no right to disclose any part of the Confidential Information to anyone who is not an employee of Franchisee; (f) Franchisee will disclose to

its employees only those parts of the Confidential Information that an employee needs to know; (g) Franchisee will have a system in place to ensure its employees keep confidential Fridays Confidential Information; (h) Franchisee will not acquire any interest in the Confidential Information; and (i) Franchisee's use or duplication of the Confidential Information or any part of the Confidential Information in any other business would constitute an unfair method of competition, for which Franchisor would be entitled to all legal and equitable remedies, including injunctive relief, without posting a bond. Franchisee shall not, during the Initial Term or at any time thereafter, communicate or disclose any Confidential Information to any unauthorized person, or do or perform, directly or indirectly, any other acts injurious or prejudicial to any of the Proprietary Marks or the System.

C. Restrictions.

(1) Franchisee acknowledges and agrees that: (a) pursuant to this Agreement, Franchisee will have access to valuable trade secrets, specialized training and other Confidential Information from Franchisor and its affiliates regarding the development, operation, purchasing, sales and marketing methods and techniques of Franchisor and its affiliates and the System; (b) the System and the opportunities, associations and experience established and acquired by Franchisee under this Agreement are of substantial and material value; (c) in developing the System, Franchisor and its affiliates have made and continue to make substantial investments of time, technical and commercial research, and money; (d) Franchisor would be unable to adequately protect the System and its trade secrets and other Confidential Information against unauthorized use or disclosure and would be unable to adequately encourage a free exchange of ideas and information among Fridays Restaurants if franchisees or developers were permitted to hold interests in competitive businesses; and (e) restrictions on Franchisee's right to hold interests in, or perform services for, competitive businesses will not hinder its activities.

(2) Accordingly, Franchisee covenants and agrees that during the Initial Term and for a continuous period of two years following its expiration, termination or Transfer, Franchisee shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with, any person, firm, partnership, corporation, or other entity:

(a) Divert or attempt to divert any business or customer, or potential business or customer, of any restaurant franchised or operated by Franchisor or its affiliates to any competitor, by direct or indirect inducement or otherwise; or

(b) Own, maintain, operate, engage in, advise, help, make loans to, or have any interest in, either directly or indirectly, any restaurant business that offers the same or similar products and services as offered by Fridays Restaurants or restaurants in any other concept or system owned, operated, managed or franchised by Franchisor or an affiliate, including, without limitation, waiter/waitress service, sit-down dining and bar services.

(3) During the Initial Term, there is no geographical limitation on the restrictions set forth in Section 20.C. For a continuous two-year period following the expiration, termination or Transfer of this Agreement, the restrictions set forth in Section 20.C shall apply within: (a) a three-mile radius of the Premises; and (b) within a three-mile radius of any then-existing Fridays Restaurant, except as otherwise approved in writing by Franchisor. These restrictions shall not apply to Franchisee's existing restaurant or foodservice operations, if any, which are identified in Exhibit A, nor shall it apply to other restaurants operated by Franchisee that are franchised by Franchisor or its affiliates.

(4) If any part of these restrictions is found to be unreasonable in time or distance, each month of time or mile of distance may be deemed a separate unit so that the time or distance may be

reduced by appropriate order of the court to that deemed reasonable. If, at any time during the two-year period following expiration, termination or Transfer of this Agreement, Franchisee fails to comply with its obligations under this Section, that period of noncompliance will not be credited toward Franchisee's satisfaction of the two-year obligation.

(5) Franchisee further covenants and agrees that, during the Initial Term and for a period of two continuous years following the expiration, termination or Transfer of this Agreement, Franchisee will not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, firm, partnership, corporation, or other entity, sell, assign, lease or transfer the Premises to any person, firm, partnership, corporation, or other entity which Franchisee knows, or has reason to know, intends to operate a restaurant business at the Premises that would violate Sections 20.C(2)(c) or 20.C(3). Franchisee, by the terms of any conveyance selling, assigning, leasing or transferring its interest in the Premises, shall include these restrictive covenants as are necessary to ensure that a restaurant business that would violate Sections 20.C(2)(c) or 20.C(3) is not operated at the Premises for this two-year period, and Franchisee shall take all steps necessary to ensure that these restrictive covenants become a matter of public record.

D. Additional Remedies for Breach.

In addition to any other remedies or damages permitted under this Agreement, if Franchisee breaches Sections 20.C(2)(c), 20.C(3) or 20.C(5) ("**Covenants Against Competition**") during the Initial Term or during the continuous two-year period following the expiration, termination or Transfer of this Agreement, for each restaurant business that violates those Sections, Franchisee shall pay to Franchisor: (1) a fee equal to Franchisor's then-current Initial Franchise Fee for franchised Fridays Restaurants; and (2) 8% of the Gross Sales of that restaurant business until the expiration of the continuous two-year period following the expiration, earlier termination, or Transfer of this Agreement. Franchisee acknowledges that a precise calculation of the full extent of Franchisor damages under these circumstances is difficult to determine and the method of calculation of such damages as set forth in this Section 20.D is reasonable. Franchisee's payment to Franchisor under this Section shall be in addition to any attorneys' fees and other costs and expenses to which Franchisor is entitled pursuant to the terms of this Agreement. Franchisee acknowledges that breach of the Covenants Against Competition by Franchisee shall cause irreparable harm to Franchisor in addition to monetary damages and nothing in this Section 20.D shall preclude Franchisor from obtaining appropriate injunctive relief to enforce the Covenants Against Competition and specific performance to enforce this Section 20.D.

E. Modification.

Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant in this Section 20 effective immediately upon Franchisee's receipt of written notice, and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 27.

F. Execution of Covenants by Third Parties.

At Franchisor's request, Franchisee shall require and obtain the execution of covenants similar to those set forth in this Section 20 (including covenants applicable upon the termination of an individual's relationship with Franchisee) from certain third parties such as any officer, partner, member, manager, employee or Principal Owner of Franchisee and/or its affiliates. Every covenant required by this Section 20.F shall be in a form satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third party beneficiary of such covenants with the independent right to

enforce them. Franchisor's current form of Non-Disclosure and Non-Competition Agreement is attached as Exhibit G. Failure by Franchisee to obtain execution of a covenant required by this Section 20.F shall constitute a material breach of this Agreement.

G. Applicability.

The restrictions contained in this Section 20 shall apply to Franchisee, Franchisee's Principal Owners and all guarantors of Franchisee's obligations. With respect to guarantors, these restrictions shall apply for a two-year period after any guarantor is released in writing from all obligations under the applicable guaranty agreement. The restrictions contained in this Section 20 shall not apply to ownership of less than a 5% legal or beneficial ownership in the outstanding equity securities of any publicly held corporation by Franchisee or any guarantor of Franchisee's obligations. The existence of any claim Franchisee or any guarantor of Franchisee's obligations may have against Franchisor or its affiliates, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 20. The preceding sentence, however, does not constitute a waiver of any such claim.

21. DEFAULT AND REMEDIES

A. Defaults Resulting in Automatic Termination – No Notice or Opportunity to Cure.

Franchisee shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee or an opportunity to cure, upon the occurrence of any of the following events: (1) Franchisee shall become insolvent or makes a general assignment for the benefit of creditors; (2) a petition in bankruptcy is filed by Franchisee or such a petition is filed against and not opposed by Franchisee; (3) Franchisee is adjudicated a bankrupt or insolvent; (4) a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; (5) a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; (6) proceedings for a composition with creditors under any state or federal law is instituted by or against Franchisee; (7) a final judgment remains unsatisfied or of record for 30 days or longer (unless on appeal or a supersedeas bond is filed); (8) Franchisee is dissolved; (9) execution is levied against Franchisee's business or property; (10) suit to foreclose any lien or mortgage against the Premises or Restaurant equipment is instituted against Franchisee and not dismissed within 30 days; or (11) the real or personal property of the Restaurant shall be sold after levy thereupon by any sheriff, marshal, or constable.

B. Defaults Resulting in Termination Upon Notice – No Opportunity to Cure.

In addition to the grounds for termination that may be stated elsewhere in this Agreement, Franchisor may terminate this Agreement, and the rights granted by this Agreement, upon written notice to Franchisee without an opportunity to cure upon the occurrence of any of the following events:

- (1) Franchisee fails to obtain site acceptance during the Site Acceptance Period.
- (2) Franchisee fails to begin development, construction and equipping of the Restaurant within 6 months after Franchisor accepts the site for the Restaurant.
- (3) Franchisee fails to open the Restaurant for business on or before the Opening Deadline.

(4) Franchisee fails to obtain and maintain a liquor license or any permit or license necessary to operate the Restaurant.

(5) Franchisee ceases to continuously operate the Restaurant for a period in excess of three consecutive days, unless the closing is due to Force Majeure, due to government order, or is required or otherwise approved in writing in advance by Franchisor.

(6) Franchisee understates the Gross Sales of the Restaurant for any period by 1% or more, 3 or more times during any 18 month period, or by more than 3% on any one occasion.

(7) Franchisee (or any other person subject to any confidentiality obligation or restrictive covenant under Section 20 or Exhibit G) materially breaches any confidentiality obligation or restrictive covenant under Section 20.

(8) Any Transfer that requires Franchisor's prior written approval occurs without Franchisee having obtained that prior written approval.

(9) Franchisor discovers that Franchisee made a material misrepresentation or omitted a material fact in the information that was furnished to Franchisor in connection with its decision to enter into this Agreement.

(10) Franchisee knowingly falsifies any report required to be furnished Franchisor or makes any material misrepresentation in its dealings with Franchisor or fails to disclose any material facts to Franchisor.

(11) Franchisor determines, in its sole discretion, that continued operation of the Restaurant by Franchisee will endanger the reputation and operations of other Fridays Restaurants and/or potentially endanger the general public.

(12) Franchisee loses possession of the Premises through its own fault or its failure to extend Occupancy Contract through the Initial Term.

(13) Franchisee, any stockholder, member, partner, director or officer of Franchisee, or any Principal Owner is convicted of, or pleads no contest (regardless of status of any appeal) to, a felony charge, a crime involving moral turpitude or any other crime or offense that is reasonably likely, in the sole opinion of Franchisor, to adversely affect Franchisor, its affiliates or the System.

(14) Franchisee fails to provide or refuses to have its employees attend the training programs described in Section 11.

(15) Franchisee materially breaches any representation or warranty set forth in Section 31.I or 31.J.

(16) Franchisee loses the right to transact business in the jurisdiction where the Restaurant is located.

(17) Franchisee (or its affiliates) or any Principal Owner: (a) remains in default beyond any applicable cure period under any other agreement with Franchisor or its affiliates; (b) remains in default beyond the applicable cure period under any Occupancy Contract, equipment lease, or financing instrument relating to the Restaurant; (c) remains in default beyond the applicable cure period

under any contract with any vendor or supplier to the Restaurant; or (d) fails to pay when due any taxes or assessments relating to the Restaurant or its employees, unless Franchisee is actively prosecuting or defending the claim or suit in a court of competent jurisdiction or by appropriate government administrative procedure or by arbitration or mediation conducted by a recognized alternative dispute resolution organization.

(18) Franchisee, in accordance with Section 13.R, (i) does not cure a Remodel Default by electing the Royalty Increase Alternative; (ii) does cure a Remodel Default by electing the Royalty Increase Alternative but stops paying the 2.5% increase in the Royalty Fee before Franchisee completes the required Facilities Remodeling; or, (iii) does cure a Remodel Default by electing the Royalty Increase Alternative and continues to pay the 2.5% increase in the Royalty Fee but seven years from the expiration of the Remodel Cure Period passes without Franchisee completing the required Facilities Remodeling.

C. Defaults Resulting in Termination Following Expiration of Cure Period.

(1) Except for those items listed in preceding Section 21.A and 21.B, Franchisee shall have 30 days after written notice of default from Franchisor within which to remedy the default and provide evidence of that remedy to Franchisor. If any such default is not cured within that time, this Agreement shall terminate without further notice to Franchisee effective immediately upon expiration of that time, unless Franchisor notifies Franchisee otherwise in writing. Franchisee will be in default under this Section 21.C(1) for any failure to materially comply with any of the requirements imposed by this Agreement, the Manuals or otherwise in writing, or to carry out the terms of this Agreement in good faith.

(2) Notwithstanding the provisions of preceding Section 21.C(1), if Franchisee defaults in the payment of any monies owed to Franchisor when such monies become due and payable and Franchisee fails to pay such monies within 10 days after receiving written notice of default, then this Agreement will terminate effective immediately upon expiration of that time, unless Franchisor notifies Franchisee otherwise in writing.

(3) If Franchisee has received two or more notices of default within the previous 12 months, Franchisor shall be entitled to send Franchisee a notice of termination upon Franchisee's next default within that 12-month period without providing Franchisee an opportunity to remedy the default.

(4) In addition to the other provisions of this Section, if Franchisor reasonably determines that Franchisee becomes or will become unable to meet its obligations to Franchisor or its affiliates under this Agreement, Franchisor may provide Franchisee written notice to that effect and demand that Franchisee provide those assurances reasonably designated by Franchisor, which may include security or letters of credit for the payment of Franchisee's obligations to Franchisor and its affiliates. If Franchisee fails to provide the assurances demanded by Franchisor within 30 days after its receipt of written notice from Franchisor, this Agreement shall terminate without further notice to Franchisee effective immediately upon expiration of that time, unless Franchisor notifies Franchisee otherwise in writing.

D. Franchisor's Alternate Remedies Upon Franchisee's Default.

In addition to, and without limiting, Franchisor's other rights and remedies under this Agreement, any other agreement or applicable law, if Franchisee fails to comply with any provision of this Agreement or upon the occurrence of (i) any event of default giving rise to Franchisor's right to terminate this Agreement under the preceding Section 21.B or (ii) any event of default under Section 21.C which,

following notice, is not timely cured, Franchisor may instead elect, in its sole discretion and upon written notice to Franchisee, to take any or all of the following actions without terminating this Agreement until such time as Franchisor confirms in writing that such default has been cured:

(1) temporarily remove information concerning the Restaurant from any Digital Media operated for the network of Fridays Restaurants, and/or restrict Franchisee's participation in other programs or benefits offered on or through any such Digital Media;

(2) temporarily suspend Franchisee's right to participate in any advertising, marketing, promotional, or public relations programs that Franchisor or the National Advertising Fund provides, authorizes, or administers;

(3) withhold the provision of any services required to be performed by Franchisor under this Agreement for a period of time determined by Franchisor in its sole discretion;

(4) assess a non-compliance fee in the amount of 1% of the Gross Sales of the Restaurant for each month in which that non-compliance has occurred or continued for one or more days, in order to compensate Franchisor for damage to the reputation of Fridays Restaurants, the Proprietary Marks and the entire System; and,

(5) at Franchisee's expense, require Franchisee, Franchisee's Operating Principal, the Restaurant's general manager, and/or the kitchen manager to attend and successfully complete the Management Training Program.

E. Early Termination Damages.

(1) If Franchisee defaults on its obligations and this Agreement terminates prior to the expiration of the Initial Term, it is hereby agreed by Franchisee and Franchisor that the amount of damages which Franchisor would incur for any such termination of this Agreement would be difficult, if not impossible, to accurately ascertain. Accordingly, within 30 days following such termination, Franchisee and its Principal Owners shall pay to Franchisor an amount equal to the average monthly Royalty Fees and advertising fund contributions that Franchisee owed for the past 36 months multiplied by the lesser of 36 months or the number of months remaining in the Initial Term ("**Early Termination Damages**"). If Franchisee has not operated the Restaurant for 36 months, the Early Termination Damages will be calculated by using the average monthly Royalty Fees and advertising contributions owed by Franchisee for the number of months that the Restaurant has been in operation. The Early Termination Damages shall also include the value of the Occupancy Contract and Permits (as hereinafter defined), if applicable, assigned to Franchisor or its designee pursuant to Section 23.A(2). These Early Termination Damages shall constitute liquidated damages and are not to be construed as a penalty and shall be the joint and several liability of Franchisee, its Principal Owners and each Guarantor.

(2) Franchisee and Franchisor acknowledge and agree that: (a) the Early Termination Damages are a reasonable estimation of the damages that would be incurred by Franchisor resulting from or arising out of the premature termination of this Agreement; and (b) Franchisee's payment of such Early Termination Damages is intended to fully compensate Franchisor only for any and all damages related to or arising out of the premature termination of this Agreement by Franchisor, and shall not constitute an election of remedies, waiver of any default under this Agreement, nor waiver of Franchisor's claim for other damages and/or equitable relief arising out of Franchisee's breach of this Agreement.

(3) The imposition of Early Termination Damages shall be at Franchisor's sole option. Franchisor is not required to impose Early Termination Damages and may, in addition or in lieu thereof, pursue other remedies available to Franchisor under the terms and conditions of this Agreement, in equity or at law in the event of Franchisee's default under this Agreement, including, without limitation, actual damages incurred by Franchisor, if such can be ascertained. All such remedies shall be cumulative and non-exclusive.

F. Statutory Limitations.

If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement requires a notice or cure period prior to termination longer than set forth in this Section, this Agreement will be deemed amended to conform to the minimum notice or cure period required by the applicable law or regulation.

22. OBLIGATIONS ON TERMINATION OR EXPIRATION

A. Franchisee's Obligations.

Upon termination or expiration of this Agreement (or as directed by Franchisor if Franchisor intends to exercise the Purchase Option under Section 23):

(1) Franchisee immediately shall cease operating a Fridays Restaurant at the Premises. All rights and licenses granted to Franchisee under this Agreement (including, without limitation, the right to use the System, the Manuals, and the Proprietary Marks) immediately shall terminate and all rights shall revert to Franchisor;

(2) Franchisee immediately shall pay Franchisor and its affiliates all sums due and owing Franchisor or its affiliates pursuant to this Agreement. Until all amounts are paid and any damages, costs or expenses incurred or suffered by Franchisor have been paid, Franchisor shall have, and Franchisee shall be deemed to have granted, a lien against any and all of the Assets (as defined below) and Franchisee's interest in the Premises;

(3) Franchisee promptly shall cease use of and return to Franchisor the Manuals, any copies of the Manuals, all other Confidential Information, and all other materials and information furnished by Franchisor, and Franchisee promptly shall return to Franchisor, in good condition and repair excepting normal wear and tear, all computer software, disks, tapes and other magnetic storage media. Franchisee shall retain no copies of the returned materials;

(4) Franchisee immediately shall discontinue all use of the Proprietary Marks and Franchisor's trade secrets in connection with the Restaurant and of any and all items bearing the Proprietary Marks; unless acquired by Franchisor pursuant to Section 23 below, remove the Proprietary Marks from the Restaurant, and from clothing, signs, materials, motor vehicles and other items owned or used by Franchisee in the operation of the Restaurant; cease to use, in any manner whatsoever, any websites, Social Media, or other Electronic Identifiers associated with the Proprietary Marks or the System; cancel all advertising for the Restaurant that contains the Proprietary Marks (including telephone directory listings); and take such action as may be necessary to cancel any filings or registrations for the Restaurant that contain any Proprietary Marks (including any assumed name filings);

(5) Franchisee shall, at the option of Franchisor, execute all documentation required by Franchisor to assign to Franchisor all rights to the telephone numbers of the Restaurant, any related

and other business listings, and any Electronic Identifiers related to the Restaurant. Franchisee is not entitled to any compensation from Franchisor if Franchisor exercises these rights or options. Franchisee hereby appoints Franchisor as its attorney-in-fact with full power and authority (which power and authority are coupled with an interest and irrevocable) for the purpose of assigning these rights to Franchisor and shall execute any forms or documents that Franchisor considers necessary for that appointment;

(6) Franchisee and all persons and entities subject to the covenants contained in Section 20 shall continue to abide by those covenants and shall not, directly or indirectly, take any action that violates those covenants;

(7) If Franchisor or its designee does not elect to assume the Occupancy Contract for the Premises and/or does not purchase the Restaurant assets in accordance with Section 23 below, then Franchisee promptly shall make such alterations and modifications to the Premises as may be necessary to clearly distinguish to the public the Premises from that of other Fridays Restaurants and also make those specific additional changes as Franchisor or its designee may request for that purpose including, but not be limited to: (1) removal of décor, including wall graphics, decorative glass elements and the racing scull; (2) removal of red and white striped outside awnings; (3) removal or painting of interior red and white ceiling elements and exterior and interior walls to a solid color other than Franchisor's proprietary blue or a color specified in the Standards; and (4) removal of signage and architectural tumbler. If Franchisee fails to promptly make these alterations and modifications, Franchisor or its designee shall have the right (at Franchisee's expense, to be paid upon Franchisee's receipt of an invoice from Franchisor) to do so without being guilty of trespass or other tort; and

(8) Franchisee and each Principal Owner shall, jointly and severally, pay all costs and expenses (including fees of attorneys and other engaged professionals) incurred by Franchisor in connection with the enforcement of this Section 22.

B. Evidence of Compliance.

Franchisee shall furnish Franchisor, within 30 days after the effective date of termination or expiration, evidence (certified to be true, complete, accurate and correct by the chief executive officer of Franchisee, if Franchisee is a corporation; by a manager of Franchisee, if Franchisee is a limited liability company; or by a general partner of Franchisee, if Franchisee is a partnership) satisfactory to Franchisor of Franchisee's compliance with Section 22.A.

C. Franchisee Prohibited from Engaging in Certain Conduct.

Franchisee shall not, except with respect to a restaurant franchised by Franchisor or its affiliates which is then open and operating pursuant to an effective franchise agreement: (1) operate or do business under any name or in any manner that might tend to give the public the impression that Franchisee is connected in any way with Franchisor or its affiliates or has any right to use the System or the Proprietary Marks; (2) make, use or avail itself of any of the materials or information furnished or disclosed by Franchisor or its affiliates under this Agreement or disclose or reveal any such materials or information or any portion thereof to anyone else; or (3) assist anyone not licensed by Franchisor or its affiliates to construct or equip a foodservice outlet substantially similar to a Fridays Restaurant.

23. OPTION TO PURCHASE

A. Scope.

(1) Franchisee hereby grants to Franchisor an option ("**Purchase Option**") to purchase the assets used in connection with the ownership and/or operation of the Restaurant. Franchisor may notify Franchisee between one year before and 30 days after the effective date of termination or expiration of this Agreement, if Franchisor desires to exercise its Purchase Option. Within 15 days after a request by Franchisor, Franchisee must provide to Franchisor a list of all assets used in connection with the ownership or operation of the Restaurant, and Franchisor will thereafter advise Franchisee which of such assets Franchisor desires to purchase (collectively, the "**Assets**"), which may include, without limitation, leasehold improvements, equipment, vehicles, furnishings, fixtures, signs and legally transferable inventory (non-perishable products, materials and supplies), the Occupancy Contract and, to the extent legally transferable, any Permits (as defined in Section 23.A(2)).

(2) If Franchisor exercises the Purchase Option, Franchisee shall, at Franchisor's option, assign the Occupancy Contract for the Premises and the liquor and all other transferable licenses and permits used in connection with the ownership or operation of the Restaurant (collectively, the "**Permits**") to Franchisor or its designee. In the event that Franchisor exercises the Purchase Option after termination for Franchisee's default, the purchase price for the Occupancy Contract and the Permits shall be included in the Early Termination Damages; in the event that Franchisor exercises the Purchase Option after expiration, the purchase price for the Occupancy Contract and the Permits shall be the fair market value of the Occupancy Contract and the Permits.

(3) At any time after Franchisor provides notice to Franchisee under Section 23.A(1), Franchisor may elect: (a) to permit Franchisee to operate the Restaurant and maintain the Assets in the usual and ordinary course of business and maintain in full force all insurance policies required under this Agreement; (b) to appoint an interim manager (which may be Franchisor or its designee), at Franchisor's expense, to control the day-to-day operations of the Restaurant, and Franchisee shall cooperate, and instruct its employees to cooperate, with that manager; or (c) to require Franchisee to close the Restaurant during such time period without removing any Assets from the Restaurant.

(4) Franchisor shall have the unrestricted right to assign this Purchase Option and designate the assignee(s) of the Assets. Therefore, all references in this Section 23 to Franchisor shall include such assignee and/or designee, as applicable. Franchisor or its assignee shall be entitled to all customary representations and warranties that the Assets are free and clear (or, if not, accurate and complete disclosure) as to: (a) ownership, condition and title; (b) liens and encumbrances; (c) environmental and hazardous substances; and (d) validity of contracts and liabilities inuring to Franchisor or affecting the Assets, whether contingent or otherwise.

(5) Franchisee hereby appoints Franchisor as its attorney-in-fact with full power and authority (which power and authority are coupled with an interest and irrevocable) for the purpose of consummating the transactions under this Section 23 and shall execute any forms or documents that Franchisor considers necessary for that appointment.

B. Purchase Price.

The purchase price for the Assets ("**Purchase Price**") shall be their fair market value determined as of the effective date of purchase in a manner that accounts for reasonable depreciation and condition of the Assets; provided, however, that the Purchase Price shall take into account the termination or

expiration of this Agreement and shall be reduced by any Early Termination Damages. Further, the Purchase Price for the Assets shall not contain any factor or increment for any trademark, service mark or other commercial symbol used in connection with the operation of the Restaurant nor any goodwill or "going concern" value for the Restaurant. Franchisor may exclude from the Assets purchased in accordance with this Section any equipment, vehicles, furnishings, fixtures, signs, and inventory, including without limitation, any such Assets that are not approved as meeting then-current standards for a Fridays Restaurant or for which Franchisee cannot deliver a Bill of Sale in a form satisfactory to Franchisor. Franchisor shall have the right to set off against and reduce the Purchase Price by any and all amounts owed by Franchisee to Franchisor, and the amount of any encumbrances or liens against the Assets or any obligations assumed by Franchisor.

C. Certified Appraisers.

If Franchisor and Franchisee are unable to agree on the fair market value of the Assets within 15 days after Franchisee's receipt of Franchisor's notice of its intent to exercise its Purchase Option, the fair market value shall be determined by two professionally certified appraisers, Franchisee selecting one and Franchisor selecting one. If the valuations set by the two appraisers differ by more than 10%, the two appraisers shall select a third professionally certified appraiser who also shall appraise the fair market value of the Assets. The average value set by the appraisers (whether two or three appraisers as the case may be) shall be conclusive and shall be the Purchase Price.

D. Access to Restaurant and Other Assets.

Franchisor and the appraisers shall be given full access to inspect the Restaurant, the Premises and other assets, and Franchisee's books and records during customary business hours and upon 2 business days' notice to conduct inspections and the appraisal. The appraisers shall value the leasehold improvements, equipment, furnishings, fixtures, signs and inventory in accordance with the standards of this Section. The appraisers' fees and costs shall be borne equally by Franchisor and Franchisee.

E. Exercise of Purchase Option.

(1) Within 10 days after the Purchase Price has been agreed to or determined by appraisers, Franchisor may proceed with exercising its Purchase Option by so notifying Franchisee in writing ("**Fridays Purchase Notice**"). The Purchase Price shall be paid in cash or cash equivalents at the closing of the purchase ("**Closing**"), which shall take place no later than 60 days after the date of Fridays Purchase Notice. Franchisee and Franchisor agree that, if issues arise relating to the liquor license and Franchisor is not able to operate the Restaurant, among other options, the date for Closing may be extended for a reasonable amount of time, not to exceed 270 days, for the parties to resolve such issues.

(2) Franchisee shall promptly, at Franchisor's option: (a) enter into an interim management or similar agreement whereby Franchisor or its designee (regardless of whether the Closing has occurred) may operate the Restaurant pursuant to any or all of the Permits, the Occupancy Contract and any other relevant contractual obligations; and (b) promptly take all steps necessary or helpful, including executing any forms or documents, in connection with the foregoing.

F. Due Diligence Period.

(1) For a period of 30 days after the date of Fridays Purchase Notice ("**Due Diligence Period**"), Franchisor shall have the right to conduct such investigations as it deems necessary and appropriate to determine: (a) the ownership, condition and title of the Assets; (b) liens and

encumbrances on the Assets; (c) environmental and hazardous substances at or upon the Premises; and (d) the validity of contracts and liabilities inuring to Franchisor or affecting the Assets, whether contingent or otherwise. Franchisee will afford Franchisor and its representatives access to the Restaurant and the Premises at all reasonable times for the purpose of conducting inspections of the Assets; provided that such access does not unreasonably interfere with Franchisee's operation of the Restaurant.

(2) During the Due Diligence Period, at its sole option and expense, Franchisor may (a) cause the title to the Assets that consist of real estate interests ("**Real Estate Assets**") to be examined by a nationally recognized title company and conduct lien searches as to the other Assets; (b) procure "as-built" surveys of the Real Estate Assets; (c) procure environmental assessments and testing with respect to the Real Estate Assets; and/or (d) inspect the Assets that consist of leasehold improvements, equipment, vehicles, furnishings, fixtures, signs and inventory ("**Fixed Assets**") to determine if the Fixed Assets are in satisfactory working condition. Prior to the end of the Due Diligence Period, Franchisor shall notify Franchisee in writing of any objections that Franchisor has to any finding disclosed in any title to lien search, survey, environmental assessment or inspection. If Franchisee cannot or elects not to correct any such title defect, environmental objection or defect in the working condition of the Fixed Assets, Franchisor will have the option to either accept the condition of the Assets as they exist or rescind its exercise of the Purchase Option on or before the Closing.

G. Purchase Option Not Exercised.

If Franchisor does not exercise its Purchase Option, Franchisee shall within 30 days after the expiration of Fridays Purchase Option make such alterations to the Restaurant as may be necessary, in Franchisor's reasonable judgment, to distinguish the appearance of the Premises from that of other Fridays Restaurants as set forth in Section 22.A(7) above. If Franchisor does not elect to purchase all or any portion of the assets which bear any Proprietary Mark or are otherwise proprietary in nature, Franchisee shall dispose of such assets only in a manner to which Franchisor has given consent within the same period of time as required under this Section for the removal of all other assets.

H. Ongoing Right of First Refusal.

If Franchisor does not exercise its Purchase Option, for a period of one year after the termination or expiration of this Agreement, Franchisor shall have and is hereby granted a right of first refusal with respect to the sale by Franchisee of all or any portion of the assets used in connection with the ownership or operation of the Restaurant. Franchisee shall promptly notify Franchisor of any proposed sale of the assets and shall provide such information and documents relating thereto as Franchisor may require. Within 30 days after receipt of such notice, information and documents, Franchisor may notify Franchisee that it intends to exercise its right of first refusal with regard to such assets upon the same terms and conditions. If such transaction shall not be consummated within a reasonable period of time after Franchisor has given such notice, then Franchisor's right of first refusal under this Section shall be a continuing right and failure to exercise such right shall not constitute a waiver of any other provision of this Agreement, including such right of first refusal with respect to future offers.

I. Compliance with Law.

Prior to the Closing, Franchisee and Franchisor shall comply with all applicable legal requirements, including the bulk sales provisions of the Uniform Commercial Code of the state in which the Restaurant is located and the bulk sales provisions of any applicable tax laws and regulations. Franchisee shall, prior to or simultaneously with the Closing, pay all tax liabilities incurred in connection with the operation of the Restaurant prior to Closing.

J. Premises Leased.

If Occupancy Contract is assigned to Franchisor or Franchisor subleases the Premises from Franchisee, Franchisor will indemnify and hold Franchisee harmless from any ongoing liability under the Occupancy Contract from the date Franchisor assumes possession of the Premises, and Franchisee will indemnify and hold Franchisor harmless from any liability under the Occupancy Contract prior to and including that date.

K. Premises Owned by Franchisee.

If Franchisee owns the Premises, Franchisor, at its option, will either purchase the fee simple interest or, upon purchase of the Assets, enter into a standard lease with Franchisee on terms comparable to those for which similar commercial properties in the area are then being leased. The initial term of this lease with Franchisee shall be at least 10 years with two options to renew of five years each, and the rent shall be the fair market rental value of the Premises. If Franchisee and Franchisor cannot agree on the fair market rental value of the Premises, then appraisers (selected in the manner described in Section 23.C) shall determine the rental value.

L. Franchisee's Obligations at Closing.

At the Closing, Franchisee shall deliver instruments transferring to Franchisor or its assignee: (A) good and merchantable title to the Assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to Franchisor or its assignee), with all sales and other transfer taxes paid by Franchisee; (B) all Permits for the Restaurant that may be assigned or transferred, with appropriate consents, if required; and (C) the lease or sublease for the Premises, with appropriate consents and estoppels, if required. If Franchisee cannot deliver clear title to all of the purchased Assets as indicated in this Section, or if there are other unresolved issues, the Closing shall be accomplished through an escrow.

24. RELATIONSHIP OF THE PARTIES AND INDEMNIFICATION

A. Relationship of the Parties.

(1) This Agreement does not create a fiduciary or other special relationship between the parties. No agency, employment, or partnership is created or implied by the terms of this Agreement, and Franchisee is not and shall not hold itself out as agent, legal representative, partner, subsidiary, joint venturer or employee of Franchisor or its affiliates. Franchisee shall have no right or power to, and shall not, bind or obligate Franchisor or its affiliates in any way or manner, nor represent that Franchisee has any right to do so. Franchisee shall not issue any press releases without the prior written approval of Franchisor.

(2) Franchisee is an independent contractor and is solely responsible for all aspects of the development and operation of the Restaurant, subject only to the conditions and covenants established by this Agreement. Without limiting the generality of the foregoing, Franchisee acknowledges that Franchisor has no responsibility to ensure that the Restaurant is developed and operated in compliance with all applicable laws, ordinances and regulations and that Franchisor shall have no liability in the event the development or operation of the Restaurant violates any law, ordinance or regulation. Neither this Agreement nor our course of conduct is intended, nor may anything in this

Agreement nor our course of conduct be construed to state or imply that Franchisor is the employer of Franchisee's employees. The sole relationship between Franchisee and Franchisor is a commercial, arms' length business relationship. Franchisee's business is, and shall be kept, totally separate and apart from any that may be operated by Franchisor. In all public records, in relationships with other persons, and on letterheads and business forms, Franchisee shall indicate its independent ownership of the Restaurant and that Franchisee is solely a franchisee of Franchisor. Franchisee shall post a sign in a conspicuous location in the Restaurant which will contain Franchisee's name and state that the Restaurant is independently owned and operated by Franchisee under a franchise agreement with Franchisor.

B. Indemnification.

(1) Franchisee, Franchisee's Principal Owners, and all guarantors of Franchisee's obligations under this Agreement shall, at all times, indemnify, defend (with counsel reasonably acceptable to Franchisor), and hold harmless (to the fullest extent permitted by law) Franchisor and its affiliates, and their respective successors, assigns, past and present stockholders, directors, officers, employees, agents and representatives (collectively "**Indemnitees**") from and against all "losses and expenses" (as defined below) incurred in connection with any action, suit, proceeding, claim, demand, investigation, inquiry (formal or informal), judgment or appeal thereof by or against Indemnitees or any settlement thereof (whether or not a formal proceeding or action had been instituted), arising out of or resulting from or connected with the operation of the Restaurant; employment matters in connection with the Restaurant; any unauthorized use of Customer Data; Franchisee's breach of this Agreement; or Franchisee's activities under this Agreement, including but not limited to any violations of laws applicable to the operation of the Restaurant but excluding losses and expenses determined to be caused solely by the gross negligence or willful misconduct of Franchisor in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction. Franchisee promptly shall give Franchisor written notice of any such action, suit, proceeding, claim, demand, inquiry or investigation filed or instituted against Franchisee and, upon request, shall furnish Franchisor with copies of any documents from such matters as Franchisor may request.

(2) At Franchisee's expense and risk, Franchisor may elect to assume (but under no circumstances will Franchisor be obligated to undertake), the defense and/or settlement of any action, suit, proceeding, claim, demand, investigation, inquiry, judgment or appeal thereof subject to this indemnification. Such an undertaking shall, in no manner or form, diminish Franchisee's obligation to indemnify and hold harmless Franchisor and Indemnitees. An Indemnitee need not seek recovery from any insurer or other third party, or otherwise mitigate its or their losses and expenses, in order to maintain and recover from third parties fully a claim against Franchisee under this Section 24.B. Franchisee agrees that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnitee may recover from Franchisee under this Section 24.B.

(3) Notwithstanding anything to the contrary contained in this Agreement, Franchisee is not required to indemnify Franchisor with regard to any infringement, alleged infringement or other violation or alleged violation by Franchisee or any Principal Owner of any patent, trademark, or copyright or other proprietary right owned or controlled by a third party, to the extent that such action arises in connection with Franchisee's use of the Proprietary Marks and System licensed to Franchisee when used in the manner authorized and required by Franchisor pursuant to this Agreement. In the event Franchisee is involved in such an action, Franchisor agrees to indemnify Franchisee and Franchisee's Principal Owners in connection with the defense thereof, and to indemnify and hold Franchisee and Franchisee's Principal Owners harmless from any and all losses and expenses (as defined below), in connection with such proceedings. Franchisee shall give notice to Franchisor of any such claim no later than 15 days after Franchisee becomes aware of or is given notice of the claim. This indemnity shall be

inoperative to the extent that failure to have timely provided such notice to Franchisor materially impairs Franchisor's ability to defend any such claim, in whole or in part, or to minimize the costs of this indemnity. **IN NO EVENT SHALL FRANCHISOR'S INDEMNITY OBLIGATIONS TO FRANCHISEE EXCEED AN AMOUNT EQUAL TO THE AVERAGE ROYALTIES FRANCHISOR HAS RECEIVED UNDER THE AGREEMENT FOR A ONE-YEAR PERIOD.** Franchisee shall not be required to defend Franchisor with regard to Franchisee's utilization pursuant to this Agreement of the Proprietary Marks and System provided such utilization is in strict compliance with that authorized and required by Franchisor pursuant to this Agreement.

(4) As used in this Section 24.B, the phrase "**losses and expenses**" shall include, but not be limited to, all losses; compensatory, exemplary and punitive damages; fines; charges; costs; expenses; lost profits; reasonable attorneys' fees; expert witness fees; court costs; settlement amounts; judgments; compensation for damages to Franchisor's reputation and goodwill; costs of or resulting from delays; financing; costs of advertising material and media time/space and the costs of changing, substituting or replacing the same; and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

25. CONSENTS, APPROVALS AND WAIVERS

A. Approvals.

Whenever this Agreement requires the prior approval, acceptance or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefor, and any approval, acceptance or consent received, in order to be effective and binding upon Franchisor, must be obtained in writing and be signed by an officer of Franchisor.

B. No Warranties.

Franchisor makes no warranties or guarantees upon which Franchisee may rely by providing any waiver, approval, acceptance, consent or suggestion to Franchisee in connection with this Agreement, and assumes no liability or obligation to Franchisee therefor, or by reason of any neglect, delay, or denial of any request therefor. Franchisor shall not, by virtue of any approvals, acceptances, advice or services provided to Franchisee, assume responsibility or liability to Franchisee or to any third parties to which Franchisor would not otherwise be subject.

C. Waivers.

No failure of Franchisor to exercise any power reserved to it by this Agreement or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms of this Agreement, shall constitute a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement. A waiver by Franchisor of any particular default by Franchisee shall not affect or impair Franchisor's rights with respect to any subsequent default of the same, similar or different nature, nor shall any delay, forbearance or omission of Franchisor to exercise any power or right arising out of any breach or default by Franchisee of any of the terms, provisions or covenants of this Agreement affect or impair Franchisor's right to exercise the same, nor shall such constitute a waiver by Franchisor of any right hereunder, or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its term. Subsequent acceptance by Franchisor of any payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

26. NOTICES

No notice, demand, request or other communication to the parties shall be binding upon the parties unless the notice is in writing, refers specifically to this Agreement, and is addressed to the addresses shown on the signature page of this Agreement, unless and until a different address has been designated by written notice to the other party. Notices shall be effective upon receipt (or first refusal of delivery) and may be: (A) delivered personally; (B) transmitted by facsimile or electronic mail with electronic confirmation of receipt; (C) mailed in the United States mail, postage prepaid, certified mail, return receipt requested; or (D) mailed via overnight courier. Notices shall be deemed received: at the time of personal delivery, at the time of transmission in the case of email, electronic delivery, facsimile or similar delivery (provided confirmation of delivery is received by the sender), on the next business day in the case of overnight delivery, or within three business days in the case of registered or certified mail.

27. ENTIRE AGREEMENT

Franchisor and Franchisee acknowledge that each element of this Agreement is essential and material and that, except as otherwise provided in this Agreement, the parties shall deal with each other in good faith. This Agreement, the Manuals, the documents referred to herein, and the attachments hereto, constitute the entire, full and complete agreement between the parties concerning Franchisee's rights, and supersede any and all prior or contemporaneous negotiations, discussions, understandings or agreements. There are no other representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Agreement other than those set forth in this Agreement and in the attachments to this Agreement. Nothing in this or any other agreement, however, is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document that Franchisor furnished to Franchisee. No obligations or duties that contradict or are inconsistent with the express terms of this Agreement may be implied into this Agreement. Except as expressly set forth herein, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed upon by the parties and executed in writing.

28. SEVERABILITY AND CONSTRUCTION

A. Severability.

If any clause or provision of this Agreement is or should ever be held to be illegal, invalid, or unenforceable under any present or future law applicable to the terms hereof, then and in that event, it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and that in lieu of each such clause or provision of this Agreement that is illegal, invalid, or unenforceable, such clause or provision shall be construed and interpreted to be as similar in substance and content to such illegal, invalid, or unenforceable clause or provision, as the context thereof would reasonably suggest, so as to thereafter be legal, valid, and enforceable.

B. No Third Party Beneficiaries.

Except as otherwise provided in Section 24.B, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee and Franchisor and its affiliates and such of their heirs, successors and assigns, any rights or remedies under or by reason of this Agreement.

C. Interpretation.

No provision of this Agreement shall be interpreted in favor of, or against, any party because of the party that drafted this Agreement.

29. GOVERNING LAW, FORUM AND LIMITATIONS

A. Choice of Law.

This Agreement and any claim or controversy arising out of, or relating to, rights and obligations of the parties under this Agreement and any other claim or controversy between the parties shall be governed by and construed in accordance with the laws of the State of Texas without regard to conflicts of laws principles. Nothing in this Section is intended, or shall be deemed, to make any Texas law regulating the offer or sale of franchises or the franchise relationship applicable to this Agreement if such law would not otherwise be applicable.

B. Choice of Forum.

The parties agree that, to the extent any disputes cannot be resolved directly between them, Franchisee shall file any suit against Franchisor only in the federal or state court having jurisdiction in Dallas County, Texas. Franchisor may file suit in the federal or state court located in Dallas County, Texas or in the jurisdiction where Franchisee resides or does business or where the Restaurant is or was located or where the claim arose. Franchisee consents to the personal jurisdiction of those courts over Franchisee and to venue in those courts.

C. Limitation of Actions.

EXCEPT FOR PAYMENTS OWED BY ONE PARTY TO THE OTHER, AND UNLESS PROHIBITED BY APPLICABLE LAW, ANY LEGAL ACTION OR PROCEEDING (INCLUDING THE OFFER AND SALE OF A FRANCHISE TO FRANCHISEE) BROUGHT OR INSTITUTED WITH RESPECT TO ANY DISPUTE ARISING FROM OR RELATED TO THIS AGREEMENT OR WITH RESPECT TO ANY BREACH OF THE TERMS OF THIS AGREEMENT MUST BE BROUGHT OR INSTITUTED WITHIN A PERIOD OF TWO YEARS AFTER THE INITIAL OCCURRENCE OF ANY ACT OR OMISSION THAT IS THE BASIS OF THE LEGAL ACTION OR PROCEEDING, WHENEVER DISCOVERED.

D. Waiver of Certain Damages.

(1) FRANCHISEE AND FRANCHISOR WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST EACH OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN THEM, EACH SHALL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT. FRANCHISEE AND FRANCHISOR WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO BRING, OR BE A CLASS MEMBER IN, ANY CLASS ACTION SUITS.

(2) FRANCHISEE AND FRANCHISOR ACKNOWLEDGE AND AGREE THAT IN NO EVENT SHALL FRANCHISOR'S AGGREGATE LIABILITY TO FRANCHISEE OR ANY OF ITS OWNERS UPON ANY CAUSE OF ACTION (INCLUDING, WITHOUT LIMITATION, NEGLIGENCE, STRICT LIABILITY AND OTHER ACTIONS IN CONTRACT

OR TORT) ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT EXCEED THE TOTAL AMOUNT OF FEES ACTUALLY RECEIVED BY FRANCHISOR FROM FRANCHISEE PURSUANT TO THIS AGREEMENT. THE FOREGOING SHALL NOT MODIFY THE PROVISIONS OF SECTION 24.B(3) OF THIS AGREEMENT.

E. JURY TRIAL WAIVER.

THE PARTIES HEREBY UNCONDITIONALLY WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY AND ALL CLAIMS OR CAUSES OF ACTION ARISING FROM OR RELATING TO THEIR RELATIONSHIP. THE PARTIES ACKNOWLEDGE THAT A RIGHT TO A JURY IS A CONSTITUTIONAL RIGHT, THAT THEY HAVE HAD AN OPPORTUNITY TO CONSULT WITH INDEPENDENT COUNSEL, AND THAT THIS JURY WAIVER HAS BEEN ENTERED INTO KNOWINGLY AND VOLUNTARILY BY ALL PARTIES TO THIS AGREEMENT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

F. Reimbursement of Costs and Expenses.

If either party brings an action to enforce this Agreement in a judicial proceeding, the party prevailing in that proceeding shall be entitled to reimbursement of costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, the cost of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred during, prior to, in preparation for, in contemplation of, or after the filing of, the proceeding. In any judicial proceeding, the amount of these costs and expenses will be determined by the court and not by a jury.

G. Injunctive Relief.

Franchisee recognizes that its failure to comply with the terms of this Agreement, including, but not limited to, the failure to fully comply with all post-termination obligations, is likely to cause irreparable harm to Franchisor, its affiliates and the System. Therefore, Franchisee agrees that, in the event of a breach or threatened breach of any of the terms of this Agreement by Franchisee, Franchisor shall be entitled to injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance without showing or proving actual damages and without posting any bond or security. Any equitable remedies sought by Franchisor shall be in addition to, and not in lieu of, all remedies and rights that Franchisor otherwise may have arising under applicable law or by virtue of any breach of this Agreement.

H. Rights and Remedies Cumulative.

No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy. The provisions of this Section 29 shall survive the expiration or earlier termination of this Agreement.

30. MISCELLANEOUS

A. Gender and Number.

All references to gender and number shall be construed to include such other gender and number as the context may require.

B. Captions.

All captions in this Agreement are intended solely for the convenience of the parties and none shall be deemed to affect the meaning or construction of any provision of this Agreement.

C. Counterparts.

This Agreement may be executed in counterparts, and each copy so executed and delivered shall be deemed an original.

D. Time.

Time is of the essence of this Agreement for each provision in which time is a factor. Whenever this Agreement refers to a period of days or months, the first day or month to be counted shall be the day or month of the designated action, event or notice. Days shall be measured by calendar days, except that if the last day of a period is a Saturday, Sunday or national holiday, the period automatically shall be extended to the next day that is not a Saturday, Sunday or national holiday.

E. Outsourcing by Franchisor.

Franchisor may, in its sole discretion, elect to outsource and/or subcontract certain of Franchisor's obligations under this Agreement to subsidiaries, affiliates, contract employees, third party vendors, and/or other third party suppliers; provided that any such outsourcing and/or subcontracting shall not discharge Franchisor from its obligations under this Agreement.

F. Survival.

Any obligation of Franchisee or Franchisee's Principal Owners that contemplates performance of such obligations after termination, expiration or Transfer shall be deemed to survive such termination, expiration or Transfer.

G. Force Majeure.

No party shall be liable for any inability to perform by reason of Force Majeure (other than financial inability or insolvency) beyond their reasonable control; provided, however, that nothing herein shall excuse or permit any delay or failure: (1) to remit any payment on the date due; or (2) for more than 180 days. The party whose performance is affected by an event of Force Majeure shall, within three days of the occurrence of such event, give written notice of such Force Majeure event to the other party setting forth the nature thereof and an estimate of its duration. As used in this Agreement, the term "**Force Majeure**" means any act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), riot, epidemic, act of any government or other third party and any other cause not within the control of the party affected thereby. Franchisee's inability to obtain financing (regardless of the reason) shall not constitute an event of Force Majeure.

31. REPRESENTATIONS

Franchisee represents, acknowledges and warrants to Franchisor (and Franchisee agrees that these representations, acknowledgments and warranties shall survive termination of this Agreement) that:

A. Legal and Business Rights and Risks.

This Agreement involves significant legal and business rights and risks. Franchisor does not guarantee Franchisee's success. Franchisee has read this Agreement in its entirety, conducted an independent investigation of the business contemplated by this Agreement, has been thoroughly advised with regard to the terms and conditions of this Agreement by legal counsel or other advisors of Franchisee's choosing, recognizes that the nature of the business conducted by Fridays Restaurants may change over time, has had ample opportunity to investigate all representations made by or on behalf of Franchisor, and has had ample opportunity to consult with current and former franchisees of Franchisor. The prospect for success of the business undertaken by Franchisee is speculative and depends to a material extent upon Franchisee's personal commitment, capability and direct involvement in the day-to-day management of the business.

B. Franchisor's Acceptance of Site(s).

The acceptance of one or more sites by Franchisor and its refusal to accept other sites is not a representation that the Premises will achieve a certain sales volume or a certain level of profitability, or that the Premises will have a higher sales volume or be more profitable than a site which Franchisor did not accept. Acceptance by Franchisor merely means that the minimum criteria that Franchisor has established for identifying suitable sites for proposed Fridays Restaurants have been met. Because real estate development is an art and not a precise science, Franchisee agrees that Franchisor's acceptance, or refusal to accept a proposed site, whether or not a site application is completed and/or submitted to Franchisor, shall not impose any liability or obligation on Franchisor. The decision to develop a particular site is Franchisee's alone, subject to acceptance of the site by Franchisor. Preliminary acceptance of a proposed site by any representative of Franchisor is not conclusive or binding, because his or her recommendation may be rejected by Franchisor.

C. Evaluation of Premises.

Franchisor assumes no liability or responsibility for: (1) evaluation of the Premises' soil for hazardous substances; (2) inspection of any structure on the Premises for asbestos or other toxic or hazardous materials; (3) compliance with the Americans with Disabilities Act ("ADA"); or (4) compliance with any other law. It is Franchisee's sole responsibility to obtain satisfactory evidence and/or assurances that the Premises (and any structures thereon) is free from environmental contamination and in compliance with the requirements of ADA.

D. Franchisor's Construction Representatives.

Franchisee shall not rely upon any opinions expressed by Franchisor or any of its officers, directors, stockholders, employees or agents regarding structural integrity, safety or construction procedures, building codes or ordinances or other matters properly within the responsibility of Franchisee and its architect. The duties of Franchisor's construction representatives are limited solely to ensuring that development plans and other requirements under this Agreement are met. Franchisor and its employees do not act as an architect or agent of Franchisee. Franchisor assumes no liability or responsibility for architectural or engineering plans or judgments outside the scope of the duties stated

above. Franchisor's final inspection and authorization to open the Restaurant is not a representation or a warranty that the Restaurant has been constructed in accordance with any architectural, engineering or legal standards for design or workmanship. It merely means that Franchisor is satisfied that the minimum requirements which Franchisor has established for consistency of design and layout have been met. Franchisee agrees that Franchisor's final inspection and authorization to open the Restaurant shall not impose any liability or responsibility on Franchisor.

E. No Representation of Franchisee's Success.

Franchisor makes no express or implied warranties or representations that Franchisee will achieve any degree of success in the development or operation of the Restaurant and that success in the development and operation of the Restaurant depends ultimately on Franchisee's efforts and abilities and on other factors, including, but not limited to, market and other economic conditions, Franchisee's financial condition and competition.

F. Franchisor's Agreements with Others.

Franchisor has entered, and will continue to enter, into agreements with other franchisees. The manner in which Franchisor enforces its rights and the franchisees' obligations under any of those other agreements shall not affect the ability of Franchisor to enforce its rights or Franchisee's obligations under this Agreement.

G. Initial Franchise Fee Not Refundable.

The Initial Franchise Fee is fully earned by Franchisor when paid and is not refundable under any circumstances.

H. System Modifications.

Franchisor may change or modify the System, from time to time, including the Manuals, and Franchisee will be required to make such expenditures as such changes or modifications in the System may require.

I. Franchise Application.

All information Franchisee provided to Franchisor in connection with Franchisee's franchise application and Franchisor's grant of this Franchise is truthful, complete and accurate.

J. Signatories to This Agreement.

The persons signing this Agreement on behalf of Franchisee have full authority to enter into this Agreement and the other agreements contemplated by the parties. Execution of this Agreement or such other agreements by Franchisee does not and will not conflict with or interfere with, directly or indirectly, intentionally or otherwise, with the terms of any other agreement with any other third party to which Franchisee or any person with an ownership interest in Franchisee is a party.

K. Financial Performance.

Except to the extent set forth in the Franchise Disclosure Document, Franchisee has not received from Franchisor or its affiliates or anyone acting on their behalf, any representation of Franchisee's potential sales, expenses, income, profit or loss.

L. No Representations Other Than Franchise Disclosure Document.

Franchisee has not received from Franchisor or its affiliates or anyone acting on their behalf, any representations other than those contained in Franchisor's franchise disclosure document ("**Franchise Disclosure Document**") as inducements to enter this Agreement.

M. No Actual or Apparent Authority.

Even though this Agreement contains provisions requiring Franchisee to operate the Restaurant in compliance with the System: (1) Franchisor and its affiliates do not have actual or apparent authority to control the day-to-day conduct and operation of Franchisee's business or employment decisions; and (2) Franchisee and Franchisor do not intend for Franchisor or its affiliates to incur any liability in connection with or arising from any aspect of the System or Franchisee's use of the System, whether or not in accordance with the requirements of the Manuals.

N. Waiver of Right to Jury Trial.

In the event of a dispute between Franchisor and Franchisee, the parties have waived their right to a jury trial.

O. Product Purchases.

Franchisee and each Principal Owner acknowledge that each has been offered certain products and services in connection herewith and understands that Fridays Restaurant franchisees are free to obtain these and any other products or services used in the operation of the Restaurant from sources of their own choosing, subject only to compliance with the System Standards and the requirements of this Agreement.

P. No Exclusivity.

Franchisee understands that Franchisee has received no exclusive rights under this Agreement.

[signature page follows]

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Agreement as of the Effective Date.

FRANCHISOR:

ATTEST:

TGI FRIDAYS FRANCHISOR, LLC

By: _____
Name: _____

By: _____
Name: _____
Title: _____

Address for Notices:

TGI Fridays Franchisor, LLC
19111 North Dallas Parkway
Suite 165
Dallas, Texas 75287
Attn: General Counsel

APPROVED
AS TO
LEGAL FORM

FRANCHISEE:

[NAME]

ATTEST/WITNESS:

By: _____
Name: _____

By: _____
Name: _____
Title: _____

Address for Notices:

Address:
Email:
Fax:
Attn:

Franchisee Signature Page

[Store Name # _____]
[Franchisee]/TGIF
FRANCHISE AGREEMENT

**EXHIBIT A TO THE
TGI FRIDAYS™ RESTAURANT FRANCHISE AGREEMENT**

FRANCHISE INFORMATION

1. Premises (Section 1.A(1)): _____
2. Site Selection Search Area (Section 3.A) (describe or attach map): _____

3. Initial Franchise Fee (Section 6.A): _____
4. Interests in Other Restaurants (Section 20.C(3)): _____

EXHIBIT A

[Store Name #____]
[Franchisee]/TGIF
FRANCHISE AGREEMENT

**EXHIBIT B TO THE
TGI FRIDAYS™ RESTAURANT FRANCHISE AGREEMENT**

FRANCHISEE'S INITIAL ADVERTISING AND PROMOTION OBLIGATION

For the purpose of benchmarking the Franchisee's initial APO under the Franchise Agreement Section 8, the following shall constitute the APO in place as of the date of the Franchise Agreement. Thereafter, the APO rates and totals may vary and change as contemplated under Section 8 of the Franchise Agreement:

- | | | |
|----|--|--------------------------|
| 1. | National Advertising Fund
(Section 8.C) | 4% of Gross Sales |
| 2. | Regional Advertising Fund
(Section 8.D) | 0% of Gross Sales |
| 3. | Regional Co-op
(Section 8.E) | 0% of Gross Sales |
| 4. | Local Store Marketing
(Section 8.G) | 0% of Gross Sales |
| | TOTAL APO: | 4% of Gross Sales |

FRANCHISEE

By: _____

Title: _____

Date: _____

EXHIBIT B

[Store Name # ____]
[Franchisee]/TGIF
FRANCHISE AGREEMENT

**EXHIBIT C TO THE
TGI FRIDAYS™ RESTAURANT FRANCHISE AGREEMENT**

LOCAL STORE MARKETING GUIDELINES

1. If required by Franchisor, Franchisee must submit an annual Local Store Marketing Plan to Franchisor marketing department for approval. In addition to Section 8.G, Franchisor may, from time to time, provide Franchisee with an outline of the approval process for marketing plans and all advertising materials. Franchisor may also consult with Franchisee regarding the strategy of Franchisee's marketing plan and may discuss marketing materials available to Franchisee.

2. Franchisee must obtain prior approval from Franchisor on all advertising materials to be used for Local Store Marketing before production (including all in-store and external marketing pieces) at least 30 days prior to first use.

3. All advertising materials used for Local Store Marketing must fall into the categories listed below:

A. Advertising Materials for Use Inside Restaurant. Local Store Marketing expenditures may be used to pay approved third parties, ad agencies, and/or Franchisor for costs incurred to develop, design, obtain or produce Franchisor-approved advertising materials for use inside the Restaurant (e.g., food and drink photography, table tents, menu inserts, drink coasters, poster or other promotional signage, promotional t-shirts, and special promotional in-store bounce back certificates).

B. Advertising Materials for Use Outside Restaurant. Local Store Marketing expenditures may be used to pay approved third parties, ad agencies, and/or Franchisor for costs incurred to develop, design, obtain or produce Franchisor-approved advertising materials for use outside the Restaurant (e.g., advertising on television, radio and cinema including talent and residual costs, copywriting, direct mail pieces, newspaper or magazine ads, geo-targeted digital ads, local social media, flyers, banners, door hangers, magnets, advertising on billboards, and advertising on subway, mall, airport and telephone kiosks). Good faith effort must be made to limit the impact of local marketing on any non-participating Franchise or Company-owned restaurant or restaurants unless agreed to in writing by affected locations.

C. Public Relations or Promotional Events. Local Store Marketing expenditures may be used to pay public relations agency(ies) for costs incurred to develop, design, produce and execute Franchisor-approved public relations materials, events or sponsorships (e.g., media press releases, media kits, event invitations, promotional signage and promotional giveaway items such as pins, t-shirts, etc.). With Franchisor's prior written approval, Local Store Marketing expenditures may be used for items such as athletic, business or community event sponsorships, contest POS materials, prizes given away for a consumer promotion, third party prize fulfillment and one time (non-recurring) remote radio broadcast events, unless and except to the extent the value of any of the foregoing is vendor, or third party funded. Any and all consumer promotions must meet all state and federal regulations.

D. Cooperative Advertising Agreements. Local Store Marketing expenditures may be used to pay third parties approved by Franchisor for costs incurred as part of Franchisor-approved cooperative advertising efforts (e.g., advertising which may be required under the lease agreement for the Restaurant).

EXHIBIT C

[Store Name # _____]

[Franchisee]/TGIF

FRANCHISE AGREEMENT

4. The materials listed below, while not exhaustive, may be appropriate (and/or required) for use at the Restaurant (subject to this Agreement and Franchisor's approval), but such materials are examples of materials that will not satisfy Franchisee's obligations for Local Store Marketing expenditures.

- Value of gift certificates, Buy One Get One Free's, Be Our Guest certificates
- Value of vendor-paid materials for any of the advertising materials referenced above
- Value of any and all discounts on food or beverages
- Value of comps for food, whether for VIPs or for promotions
- Costs related to any menus (e.g., role-play menu, fax menu, kids menu, etc.)
- Costs incurred in connection with internal incentive contests (e.g., beverage contests, etc.)
- Value of vendor-funded table tents, promotional t-shirts, merchandising items, etc.
- Costs related to newspaper or magazine subscriptions
- Costs related to satellite or cable television at the Restaurant
- Costs related uniforms, logos for uniforms, name tags, etc.
- Value of salaries and benefits for Franchisee's marketing employees, or Restaurant employees engaged in local marketing activity
- Value of monthly retainer to local marketing, advertising or public relations agency
- Costs related to travel to marketing meetings (e.g., airfare, lodging, meals, rental car, etc.)
- Costs related to any signage at the Restaurant
- Costs related to music licensing subscriptions
- Value of any exchanged or bartered items
- Ongoing and regular or recurring in-restaurant entertainment such as DJ, live music, karaoke, and live radio remotes
- Groupon, Living Social, or similar type online discounted TGI Fridays certificates sold through an online site
- Value of sports or entertainment tickets or other non-consumer-intended elements as part of a sponsorship package

EXHIBIT C

[Store Name # _____]

[Franchisee]/TGIF

FRANCHISE AGREEMENT

**EXHIBIT D TO THE
TGI FRIDAYS™ RESTAURANT FRANCHISE AGREEMENT**

LISTING OF FRANCHISEE'S OWNERSHIP INTERESTS

Effective Date: This Exhibit D is current and complete as of _____.

1. Form of Ownership.

(a) Individual Proprietorship. Franchisee's owner(s) (is) (are) as follows:

(b) Corporation, Limited Liability Company, Partnership or Trust. Franchisee is a _____ incorporated, organized or formed on _____, under the laws of the State / Commonwealth of _____. Franchisee has not conducted business under any name other than its legal entity name and _____. The following is a list, as applicable, of the Franchisee's partners, directors, officers, members, settlor, trustee, or beneficiary as of the effective date shown above:

Name of Each Director/Officer/Member/Manager
Settlor/Trustee/ Beneficiary

Position(s) Held

_____	_____
_____	_____
_____	_____

2. Owners. The following list includes the full name of each person who is an owner of a legal or beneficial interest in Franchisee, and fully describes the nature of each owner's interest (attach additional pages if necessary).

Name/Address/Tax Identification No.

Percentage/Description of Interest

(a) _____ _____	_____ _____
(b) _____ _____ _____	_____ _____ _____
(c) _____ _____ _____	_____ _____ _____
(d) _____ _____	_____ _____

EXHIBIT D

[Store Name # _____]
[Franchisee]/TGIF
FRANCHISE AGREEMENT

3. Representative. Franchisee's Representative as of the Effective Date is:_____.

4. Operating Principal. Franchisee's Operating Principal as of the Effective Date is _____. Franchisee may not change the Operating Principal without Franchisor's prior written approval.

5. Multi-Unit Manager. Franchisee's Multi-Unit Manager as of the Effective Date is _____. Franchisee may not change the Multi-Unit Manager without Franchisor's prior written approval.

FRANCHISEE

By:_____

Title:_____

Date:_____

EXHIBIT D

[Store Name #____]
[Franchisee]/TGIF
FRANCHISE AGREEMENT

**EXHIBIT E TO THE
TGI FRIDAYS™ RESTAURANT FRANCHISE AGREEMENT**

ACH AUTHORIZATION FORM

FRIDAYS RESTAURANT ADDRESS: _____

DEPOSITOR (NAME OR LEGAL ENTITY): _____

The undersigned depositor ("**Depositor**") hereby authorizes TGI Fridays Franchisor, LLC ("**Franchisor**") to initiate debit entries and credit correction entries to Depositor's checking or savings account indicated below and Depositor hereby authorizes the depository designated below ("**Bank**") to debit or credit such account pursuant to Franchisor's instructions. This authorization is to remain in full force and effect until 60 days after Franchisor has received written notification from Depositor of its termination.

DEPOSITOR INFORMATION

Depositor Name:
Mailing Address:
City/ State/ Zip Code:
Telephone:
Email:

DEBITING BANK ACCOUNT INFORMATION

Bank Name:
City / State / Zip Code:
Branch:
Account Number to Debit:
Routing Number (9 digit #):
Account Name:
Telephone Number of Bank:
Name of Contact Person at Bank:

The undersigned representative of Depositor represents and warrants to Franchisor and the Bank that the person executing this ACH Authorization Form is an authorized signatory on the account referenced above and all information regarding the account is true and accurate.

Depositor By: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT E

[Store Name # ____]
[Franchisee]/TGIF
FRANCHISE AGREEMENT

**EXHIBIT F TO THE
TGI FRIDAYS™ RESTAURANT FRANCHISE AGREEMENT**

GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of the TGI Fridays Restaurant Franchise Agreement dated as of _____ ("Agreement") by TGI Fridays Franchisor, LLC ("Franchisor"), entered into with _____ ("Franchisee"), _____ ("Guarantor"), who is an officer, director, or Principal Owner as defined in the Agreement (or a spouse of one of the foregoing), hereby executes this Guaranty and Assumption of Franchisee's Obligations ("Guaranty") and personally and unconditionally: (1) guarantees to Franchisor and its successors and assigns, for the term of the Agreement (including extensions) and thereafter as provided in the Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement (including any amendments or modifications of the Agreement); and (2) agrees personally to be bound by, and personally liable for the breach of each and every provision in the Agreement (including any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the provisions of Sections 18 (Transfers), 20 (Covenants), 21.E (Early Termination Damages), 23 (Option to Purchase) and 24.B (Indemnification) of the Agreement. All capitalized terms that are not defined in this Guaranty shall have the meaning given them in the Agreement.

Guarantor waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (4) any right he may have to require that an action be brought against Franchisee or any other person as a condition of liability; (5) all rights to payments and claims for reimbursement or subrogation which Guarantor may have against Franchisee arising as a result of the execution of and performance under this Guaranty by the undersigned; (6) any law or statute which requires that Franchisor make demand upon, assert claims against or collect from Franchisee or any others, foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any others prior to making any demand upon, collecting from or taking any action against Guarantor with respect to this Guaranty; (7) any and all other notices and legal or equitable defenses to which he may be entitled; and (8) any and all right to have any legal action under this Guaranty decided by a jury.

Guarantor consents and agrees that: (1) Guarantor's direct and immediate liability under this Guaranty shall be joint and several, both with Franchisee and among other guarantors; (2) Guarantor shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; (4) monies received from any source by Franchisor for application toward payment of the obligations under the Agreement and under this Guaranty may be applied in any manner or order deemed appropriate by Franchisor; and (5) such liability shall not be diminished, relieved or otherwise affected by any amendment of the Agreement, any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims. None of the foregoing shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Agreement (including all extensions, renewals, and replacements thereof and successors thereto), and for so long as any performance is or might be owed under the Agreement by Franchisee or any owner or guarantor, and for so long as Franchisor has any cause of action against Franchisee or any owner or guarantor. In addition, if Guarantor ceases to be a Principal Owner, officer or director of Franchisee or own any interest in Franchisee (or the spouse of any of the foregoing) prior to termination or expiration of the Agreement, Guarantor agrees that Guarantor's obligations under this Guaranty shall continue to remain in force and effect

EXHIBIT F

[Store Name # _____]

[Franchisee]/TGIF

FRANCHISE AGREEMENT

unless Franchisor in its sole discretion, in writing, releases Guarantor from this Guaranty. Notwithstanding the provisions of the previous sentence, unless prohibited by applicable law, the obligations contained in Section 20.C of the Agreement shall remain in force and effect for a period of one year after any such release by Franchisor. A release by Franchisor of Guarantor shall not affect the obligations of any other guarantor.

If Franchisor brings an action to enforce this Guaranty in a judicial proceeding, and Franchisor prevails in such proceeding, Franchisor shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, cost of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred during, prior to, in preparation for or in contemplation of the filing of any such proceeding. In any judicial proceeding, these costs and expenses shall be determined by the court and not by a jury.

If Franchisor utilizes legal counsel (including in-house counsel employed by Franchisor or its affiliates) in connection with any failure by Guarantor to comply with this Guaranty, Guarantor shall reimburse Franchisor for any of the above-listed costs and expenses incurred by it.

This Guaranty shall be binding upon Guarantor and Guarantor's respective heirs, legal representatives, successors and assigns. Franchisor's interests in and rights under this Guaranty are freely assignable, in whole or in part, by Franchisor. Any assignment shall not release Guarantor from this Guaranty.

The enforcement provisions of the Agreement (including, but not limited to, Section 29 (Governing Law, Forum and Limitations)) are incorporated by reference into this Guaranty and enforceable in accordance with the terms of this Guaranty. For the avoidance of doubt, this Agreement and any claim or controversy arising out of, or relating to, rights and obligations of the parties under this Agreement and any other claim or controversy between the parties shall be governed by and construed in accordance with the laws of the State of Texas without regard to conflicts of laws principles. Guarantor agrees that, to the extent any disputes cannot be resolved directly with Franchisor, Guarantor shall file any suit against Franchisor only in the state or federal court having jurisdiction in Dallas County, Texas. Franchisor may file suit in the federal or state court located in Dallas County, Texas, or in the jurisdiction where Guarantor resides or does business or where the Restaurant is or was located or where the claim arose. Guarantor irrevocably consents to the personal jurisdiction of those courts over Guarantor and waives any objection he or she might have to either the jurisdiction of or venue in those courts.

[signature page follows]

EXHIBIT F

[Store Name # _____]
[Franchisee]/TGIF
FRANCHISE AGREEMENT

IN WITNESS WHEREOF, the undersigned has hereunto affixed his signature, under seal.

GUARANTOR:

Date: _____ (Seal)

Print Name: _____

Address: _____

STATE OF _____ §

COUNTY OF _____ §

On this ____ day of _____ 20__, before me, the undersigned Notary Public in and for the State of _____, personally appeared _____ to me personally known who being by me duly sworn _____ did _____ say _____ that _____ s/he _____ is the _____ of _____, a _____, executing the foregoing instrument, that the instrument was signed on behalf of said entity by authority of said entity; and s/he acknowledged the execution of the instrument to be the voluntary act and deed of said entity.

Witness my hand and official seal.

Notary Public

My commission expires: _____

EXHIBIT F

[Store Name # _____]
[Franchisee]/TGIF
FRANCHISE AGREEMENT

**EXHIBIT G TO THE
TGI FRIDAYS™ RESTAURANT FRANCHISE AGREEMENT**

**NON-DISCLOSURE AND NON-COMPETITION AGREEMENT
(OWNERS, OFFICERS, DIRECTORS & MANAGERS)**

THIS NON-DISCLOSURE AND NONCOMPETITION AGREEMENT ("**Agreement**") is made as of the ____ day of _____, 20__, by and between _____ ("**Franchisee**"), and _____, who is/are an owner, officer, manager, supervisor, member, partner, or a person in a managerial position with, Franchisee ("**Member**").

BACKGROUND:

As a result of the expenditure of time, skill, effort and money, TGI Fridays Franchisor, LLC ("**Franchisor**") has developed and owns a distinctive system ("**System**") relating to the development, establishment and operation of full-service casual theme restaurants featuring a specialized menu and full bar service operating in buildings that bear Franchisor's interior and exterior trade dress under the name Fridays or related tradenames (collectively, "**Fridays Restaurants**").

Franchisor identifies the System by means of certain names and Proprietary Marks including "TGI Fridays," "Fridays" and other names, Proprietary Marks, logos, insignias, slogans, emblems, symbols and designs (collectively "**Proprietary Marks**"), which Franchisor has designated, or may in the future designate, for use with the System. The Proprietary Marks used to identify the System, including the principal Proprietary Marks, may be modified by Franchisor and/or its affiliates from time to time.

Franchisor and Franchisee have executed a TGI Fridays™ Restaurant Franchise Agreement ("**Franchise Agreement**") granting Franchisee the right to operate one (1) Fridays Restaurant (the "**Restaurant**") and to produce and distribute products and services approved by Franchisor and use the Proprietary Marks in connection therewith under the terms and conditions of the Franchise Agreement;

Member, by virtue of his or her position with Franchisee, will gain access to certain of Franchisor's Confidential Information, as defined in the Franchise Agreement, and must therefore be bound by the same confidentiality and non-competition agreement that Franchisee is bound by.

NOW THEREFORE, in consideration of these premises, the conditions stated herein, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

1. Confidential Information. Member shall not, during the Initial Term of the Franchise Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, entity, association, or corporation any confidential information, knowledge, or know-how concerning the methods of operation of the business franchised thereunder which may be communicated to Member or of which Member may be apprised by virtue of Franchisee's operations under the terms of the Franchise Agreement. Any and all information, knowledge, know-how, and techniques which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate came to its attention prior to disclosure thereof by Franchisor; or which, at or after the time of disclosure by Franchisor to Franchisee, had become or later becomes a part of the public domain, through publication or communication by others.

EXHIBIT G

[Store Name # ____]
[Franchisee]/TGIF
FRANCHISE AGREEMENT

2. Covenants Not to Compete

(A) Member specifically acknowledges that, pursuant to the Franchise Agreement, and by virtue of its position with Franchisee, Member will receive valuable specialized training and confidential information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System.

(B) Member covenants and agrees that during the term of Member's employment with, or ownership interest in, Franchisee, and except as otherwise approved in writing by Franchisor, Member shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity:

(1) Divert or attempt to divert any business or customer, or potential business or customer, of any Fridays Restaurant to any competitor, by direct or indirect inducement or otherwise; or

(2) Own, maintain, operate, engage in, advise, help, make loans to, or have any interest in, either directly or indirectly, any restaurant business that offers the same or similar products and services as offered by Fridays Restaurants or restaurants in any other concept or system owned, operated, managed or franchised by Franchisor or an affiliate, including, without limitation, waiter/waitress service, sit-down dining and bar services (a "**Competing Business**").

(C) Member covenants and agrees that during the Post-Term Period (defined below), except as otherwise approved in writing by Franchisor, Member shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity, own, maintain, operate, engage in, or have any interest in a Competing Business that is, or is intended to be, located: (1) within three miles of the Restaurant; and (2) within three miles of any then-existing Fridays Restaurant operating under the System.

(E) As used in this Agreement, the term "**Post-Term Period**" shall mean a continuous uninterrupted period of two years from the date of: (1) a Transfer by Member permitted under Section 18 of the Franchise Agreement; and/or (2) termination of Member's employment with, and/or ownership interest in, Franchisee.

3. Injunctive Relief. Member acknowledges that any failure to comply with the requirements of this Agreement will cause Franchisor irreparable injury, and Member agrees to pay all court costs and reasonable attorney's fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Agreement.

4. Severability. All agreements and covenants contained herein are severable. If any of them, or any part or parts of them, shall be held invalid by any court of competent jurisdiction for any reason, then Member agrees that the court shall have the authority to reform and modify that provision in order that the restriction shall be the maximum necessary to protect Franchisor's and/or Franchisee's legitimate business needs as permitted by applicable law and public policy. In so doing, Member agrees that the court shall impose the provision with retroactive effect as close as possible to the provision held to be invalid.

5. Delay. No delay or failure by Franchisor or the Franchisee to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right provided herein, and no waiver of any violation of any terms and provisions of this Agreement shall be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.

EXHIBIT G

[Store Name # ____]
[Franchisee]/TGIF
FRANCHISE AGREEMENT

6. Jurisdiction, Venue and Choice of Law. This agreement shall be interpreted in accordance with the laws of the State of Texas. Jurisdiction and venue shall be in the courts of the State of Texas or the United States District Court in Dallas County, Texas, or the state and county of the residence of Member or the location of the Restaurant, at the election of Franchisor.

7. Third-Party Beneficiary. Member hereby acknowledges and agrees that Franchisor is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with Franchisee.

IN WITNESS WHEREOF, Franchisee and Member attest that each has read and understands the terms of this Agreement, and voluntarily signed this Agreement as of the ____ day of _____, 20__.

FRANCHISEE

MEMBER

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT G

[Store Name # ____]
[Franchisee]/TGIF
FRANCHISE AGREEMENT

**EXHIBIT H TO THE
TGI FRIDAYS™ RESTAURANT FRANCHISE AGREEMENT
TGI FRIDAYS LOYALTY PROGRAM AGREEMENT**

EXHIBIT H

[Store Name # _____]
[Franchisee]/TGIF
FRANCHISE AGREEMENT

TGI FRIDAYS™ LOYALTY PROGRAM AGREEMENT

This TGI Fridays Loyalty Program Agreement ("**Agreement**") is entered into effective the ____ day of _____, 20____, between TGI Fridays Franchisor, LLC, 19111 North Dallas Parkway, Suite 165, Dallas, TX 75287 ("**Franchisor**"), and _____, _____ [address] ("**Franchisee**").

SECTION I: DEFINITIONS

Unless otherwise specifically defined herein, capitalized terms will have the meaning attributed to them in the applicable Franchise Agreement(s) identified on the attached Exhibit 1 (each a "**Franchise Agreement**"; collectively, the "**Franchise Agreements**").

As used in this Agreement, the following words and phrases will have the meanings attributed to them in this Section:

"**Loyalty Program**" is the "Fridays Rewards" Program, and/or such other guest reward and recognition program(s) as Franchisor may institute from time to time.

"**Loyalty Program Costs**" shall mean any and all "start up" fees, use fees and any other fees charged by Vendor for the use of the Software that Franchisee must pay in connection with participation in the Loyalty Program. Franchisor does not currently charge a fee for Franchisee's participation in the Loyalty Program, however, Franchisor, in its sole discretion, reserves the right to charge a reasonable fee.

"**Participant Data**" is the Customer Data (as defined in the Franchise Agreement) entered by each participant in the Loyalty Program and may include the individual's name, mailing address, email address, phone number and birth date.

"**Software**" is the software utilized to run the Loyalty Program.

"**Vendor**" is the proprietor(s) of the Software, as the same may change from time to time.

SECTION II: AGREEMENT

1. Participating Restaurants. Franchisee operates one or more Restaurants ("**Participating Restaurants**"), each pursuant to an applicable Franchise Agreement. If Franchisee opens an additional Restaurant, upon opening, that Restaurant shall automatically be deemed subject to this Agreement without the necessity of an amendment and the term "Participating Restaurants" shall include that additional Restaurant.
2. Loyalty Program. Franchisee agrees to adopt and use the Loyalty Program at the Participating Restaurants in accordance with the terms and conditions of the Loyalty Program, as amended from time to time, and in accordance with the terms and conditions of the Franchise Agreement.
3. Term. For each Participating Restaurant, the term of this Agreement begins on the earlier of Loyalty Program inception on April 1, 2008 or such subsequent date that Franchisee begins operating any Fridays Restaurant and continue through the balance of the term of the Franchise Agreement which is the last to expire or be terminated, unless earlier terminated as provided herein.

EXHIBIT H

[Store Name # ____]
[Franchisee]/TGIF
FRANCHISE AGREEMENT

4. Operations Training. Franchisee agrees to train all management personnel and staff at the Participating Restaurants in accordance with the System Standards relating to the Loyalty Program, including compliance with Loyalty Program guidelines and proper execution of the Loyalty Program (such as following any in-restaurant scripting developed by Franchisor to recognize Loyalty Program participants and provide Loyalty Program benefits to participants).
5. Loyalty Program Costs. The Loyalty Program Costs shall constitute a Payment under the Franchise Agreement for each Participating Restaurant, which Payment shall be due on a monthly basis on the due date specified (or other mutually agreed upon basis between Vendor and Franchisee) and payable to Vendor.
6. Use of Loyalty Program. Franchisee may not copy, reproduce or in any way duplicate the Loyalty Program for use outside the System or in contravention of the terms of this Agreement. Franchisee shall have the right to access and use the Participant Data, limited to the aggregate performance data for each individual Participating Restaurant, solely for purposes associated with the Loyalty Program. Any unauthorized use of the Participant Data shall constitute a material default of this Agreement. Authorized uses of the Participant Data are: (a) research and analysis in support of the Participating Restaurants; and (b) site modeling for performance of obligations under existing development agreements with Franchisor.
7. Compliance with Laws. Franchisee is responsible for complying with all state, federal and local laws, rules, statutes and ordinances in the locale in which each Participating Restaurant is located relating to the Loyalty Program, including but not limited to the sale of alcoholic beverages, awarding of points, prizes, email and text messaging and the like.
8. Fraud. Franchisor assumes no responsibility to identify fraudulently obtained Loyalty Program memberships, points credits, reward issuances, reward redemptions and coupon redemptions, fraudulent creation of employee accounts, fraudulent use, trade or sale of coupons and/or rewards or the like, or to discover or report any fraud, theft or other dishonesty committed by any person not employed by Franchisor. Franchisee will be financially responsible for any fraudulent or erroneous issuance or redemption of points reward values, reward redemptions or coupon redemptions by Franchisee's personnel. Franchisee will immediately notify Franchisor if Franchisee detects fraudulent issuance or redemption of points, reward values, reward redemptions or coupon redemptions.
9. Indemnification. Franchisee is solely responsible for all expenses incurred in connection with this Agreement and Franchisee's participation in the Loyalty Program. Franchisee hereby indemnifies and holds Franchisor harmless for all expenses and liabilities incurred by Franchisor, its franchisees, affiliates, officers, directors, employees and agents, in connection with Franchisee's participation in the Loyalty Program in accordance with the terms of this Agreement and the Franchise Agreements.
10. Ownership of Data. At all times, ownership of the Loyalty Program, Participant Data, and any other data derived through Franchisee's participation in the Loyalty Program is the exclusive property of Franchisor and its affiliated companies. The Loyalty Program, the terms of this Agreement and all data, information, reports, specifications, written materials, software and computer data used with or derived from the Loyalty Program will be deemed Confidential Information as that term is defined in the Franchise Agreement.
11. Transfer. In the event of any Transfer under the Franchise Agreements, Franchisee and its guarantors under the Franchise Agreement will remain liable for any Payments and other obligations pursuant to this Agreement arising through the date of Transfer. The transferee and its owners must execute and

EXHIBIT H

[Store Name # ____]
[Franchisee]/TGIF
FRANCHISE AGREEMENT

deliver to Franchisor the then-current form of agreement and related documents for any guest reward and recognition program.

12. Use of Alternative Guest Reward and Recognition Programs Prohibited. Franchisee shall not use any guest reward or recognition program or collect any Participant Data outside of the Loyalty Program. Franchisee's use of Participant Data or participation in any other guest reward or recognition program is a material default of this Agreement.
13. Default. If Franchisee fails to pay any Loyalty Program Costs or fails to comply with any term of this Agreement, and any such failure is not cured within ten (10) days after the date Franchisee receives a written notice from Franchisor, such failure will be deemed a default of this Agreement and of any other agreement with Franchisor (including the Franchise Agreements or any development agreement). Upon any uncured default, Franchisor may do any one or more of the following: (a) discontinue providing the Loyalty Program to the Participating Restaurants; (b) initiate a collection action against Franchisee for all Loyalty Program Costs due; and/or (c) pursue any and all remedies for breach available under the Franchise Agreement, including but not limited to termination of the Franchise Agreement and any development agreement. Franchisee will, on demand, pay all costs and expenses, including interest and attorneys' fees, paid or incurred by Franchisor, or its affiliates, to enforce this Agreement. Franchisee acknowledges that failure by Franchisee to timely pay all amounts due to Franchisor pursuant to any Franchise Agreement, development agreement or other agreement will entitle Franchisor to deem Franchisee ineligible to participate in the Loyalty Program and to discontinue the Loyalty Program at the Participating Restaurants.
14. Integration. This Agreement, the attachments, and such terms and conditions as may be adopted in writing from time to time, constitute the entire agreement between the parties concerning the subject matter hereof. All prior agreements, discussions, representations, warranties and covenants are merged herein.

IN WITNESS WHEREOF THIS AGREEMENT HAS BEEN EXECUTED ON THE DATE FIRST ABOVE WRITTEN.

FRANCHISOR:

FRANCHISEE:

TGI FRIDAYS FRANCHISOR, LLC

[NAME]

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT H

[Store Name # _____]
[Franchisee]/TGIF
FRANCHISE AGREEMENT

EXHIBIT 1
PARTICIPATING RESTAURANTS

Restaurant #	Franchise Agreement Date	Restaurant Address

EXHIBIT H

[Store Name # ____]
[Franchisee]/TGIF
FRANCHISE AGREEMENT

RIDER 1

TGI FRIDAYS FRANCHISE AGREEMENT EXPIRATION DATE

TO: _____

The Restaurant located at _____ first opened for business on _____. The initial term of the Franchise Agreement for the Restaurant expires on _____. If Franchisee desires to renew the Franchise Agreement, Franchisee must give Franchisor notice no earlier than _____ (18 months before the expiration date of the Franchise Agreement) and no later than _____ (12 months before the expiration date).

TGI FRIDAYS FRANCHISOR, LLC

By: _____

Print Name: _____

Title: _____

Date: _____

RIDER 2

ADA CERTIFICATION

(TO BE COMPLETED BY FRANCHISEE'S ARCHITECT, ENGINEER, ADA CONSULTANT, OR OTHER LICENSED PROFESSIONAL)

In connection with the Fridays Restaurant located at _____ (the "**Restaurant**"), I hereby represent and certify to _____ ("**Franchisee**") and to TGI Fridays Franchisor, LLC that:

1. I have used professionally reasonable efforts to ensure that the Restaurant conforms to and complies with the design standards and requirements of the Americans with Disabilities Act ("**ADA**"), the ADA Architectural Guidelines ("**ADAAG**"), and all other related or similar state and local laws, regulations, and other requirements governing public accommodations for persons with disabilities in effect at the time that this certification is made, and
2. In my professional judgment, the Restaurant does in fact conform to and comply with such design standards and requirements.

By: _____

Print Name: _____

Firm: _____

Date: _____

RIDER 3

OCCUPANCY CONTRACT PROVISIONS

1. Franchise Agreement. Should the Tenant (whether by Assignment of this Lease or otherwise) at any time during the Term hereof enter, into a franchise agreement ("**Franchise Agreement**") with TGI Fridays Franchisor, LLC ("**Franchisor**") which grants certain rights to, and imposes certain duties and obligations on, Tenant, then, in connection with the Franchise Agreement and for the benefit of Franchisor, Landlord and Tenant agree to the terms and provisions of this Article [XX] notwithstanding anything to the contrary in this Lease.
2. Assignment. Without the prior written consent of Landlord and Franchisor, Tenant shall not assign this Lease or sublet all or any portion of the Premises except as contemplated by this Article [XX]. Tenant may from time to time and without Landlord's prior consent or payment of any fee or charge (whether by increased rent or otherwise), assign its right, title, and interest in this Lease to (A) Franchisor; (B) any other franchisee of Franchisor that Franchisor has pre-approved; or (C) an affiliate (as defined in Section [YY] of this Lease) of either of the foregoing (each, a "**Permitted Assignee**"), in which case (i) the Permitted Assignee shall assume in writing Tenant's obligations under this Lease ("**Permitted Assumption**") and provide to Landlord evidence thereof within twenty (20) days of the effective date of such assignment ("**Assumption Notice**"); and (ii) this Lease shall continue in full force and effect between Landlord and the Permitted Assignee, as the new "Tenant." In addition to the foregoing, Tenant may collaterally assign to Franchisor this Lease (using the form of collateral assignment agreement that Franchisor requires), and upon a default under the Franchise Agreement or a Default (as hereinafter defined) under this Lease which, in either case, is not fully cured within any applicable cure period, Franchisor (as Tenant's attorney-in-fact, which power herein and therein granted is coupled with an interest and is irrevocable) may cause Tenant's right, title, and interest in this Lease to be assigned to a Permitted Assignee prior to the termination of the Term, in which event such Permitted Assignee shall deliver to Landlord an Assumption Notice. If Tenant owns or uses any permits or licenses regarding the sale of alcoholic beverages (collectively, "**Liquor License**") in which Landlord has any present, contingent, reversionary, or other interest, any assignment to a Permitted Assignee shall automatically include an assignment of such Liquor License, and Landlord shall retain the identical interest in such Liquor License that it possessed prior to such assignment. In the event of a Permitted Assumption, Tenant shall not be released of its obligations pursuant to this Lease.
3. Liability. Notwithstanding anything to the contrary in this Lease, (A) Tenant shall be solely responsible for all of Tenant's obligations under this Lease unless and until a Permitted Assumption occurs pursuant to an Assumption Notice; and (B) upon the occurrence of a Permitted Assumption, the Permitted Assignee which delivers the Assumption Notice shall also be liable for all of the obligations, duties, and liabilities of Tenant under this Lease (provided that such Permitted Assignee shall have no liability for any Defaults which are personal to Tenant and not capable of being cured by such Permitted Assignee [**"Personal Defaults"**]).
4. Notice and Cure; Estoppel. Simultaneously with its delivery thereof to Tenant, Landlord shall deliver to Franchisor copies of all notices and demands (each, a "**Default Notice**") concerning the occurrence of any default under this Lease or event which with the giving of notice, the passage of time, or both, would constitute a default (any such event, a "**Default**"). Upon Franchisor's receipt of a Default Notice, a Permitted Assignee shall have the right, but not the obligation, to perform any obligations or cure any Default under this Lease and exercise any election, option, or privilege conferred upon Tenant by the terms of this Lease. Landlord shall not terminate this Lease or Tenant's right of possession for any Defaults if during any grace or cure period available to Tenant under this Lease (or thirty [30] days following Franchisor's receipt of the applicable Default Notice, if greater), a Permitted Assignee causes such Defaults (other than Personal Defaults) to be cured or if such default is not capable of being cured within such timeframe, commences to cure the same and diligently proceeds in

good faith until such cure is complete, but in no event shall such extended period of time within which to effect a cure exceed sixty (60) days. Landlord and Tenant shall at any time and from time to time execute and deliver to a Permitted Assignee within fifteen (15) days following its request thereof, a written statement certifying whether this Lease is in full force and effect (or if modified, whether the same is in full force and effect as so modified), whether any conditions to the enforceability of this Lease remain unsatisfied, the dates to which rent and other charges or performances have been paid or completed, whether a Default has occurred and remains uncured (specifying any such Defaults with reasonable detail), and specifying any further information reasonably requested. Upon request by any party to this Lease, Landlord and Tenant shall execute and deliver a memorandum of lease, which the requesting party may record at its own expense.

5. Proprietary Marks; Trade Dress. Throughout the term of this Lease and subject to all applicable governmental requirements, Tenant shall have the right to use the Proprietary Marks (which, for purposes hereof, include signage) as permitted or required pursuant to the Franchise Agreement, and Franchisor shall have the right to enter the Premises to make modifications and alterations reasonably necessary or appropriate to protect the Proprietary Marks and the System. Within thirty (30) days following the expiration or earlier termination of this Lease and/or the Franchise Agreement, Tenant and/or Franchisor shall have the right to make those modifications and alterations to the Premises as may be reasonably necessary or appropriate to clearly distinguish to the public the Premises from a TGI Fridays™ restaurant; provided, however, that the party undertaking such modifications and alterations shall promptly repair all damage to the Premises caused thereby. As used herein, the terms Proprietary Marks and System shall have the meanings ascribed thereto in the Franchise Agreement. Should either Tenant or Franchisor fail to make those modifications and alterations to the Premises as may be reasonably necessary or appropriate to clearly distinguish to the public the Premises from a TGI Fridays™ restaurant (the "**Trade Dress**") within the times set forth above, Tenant and Franchisor waive any claims they may have regarding use of the Trade Dress by a subsequent user of the Premises.

6. Amendment; Copies. Landlord and Tenant shall not amend or otherwise modify this Lease in any manner which is inconsistent with the provisions of this Article [XX] without Franchisor's prior written consent, and no such amendment or modification which is inconsistent with the provisions of this Article [XX] shall be binding upon any Permitted Assignee. Landlord and Tenant shall provide Franchisor copies of all amendments, assignments, and notices of Default pertaining to this Lease. Franchisor shall be a third party beneficiary to, and be entitled to enforce, the terms and provisions of this Article [XX].

7. Notices. Solely for purposes of this Article [XX], Franchisor's address for notices required or permitted hereunder is TGI Fridays Franchisor, LLC, Attn: General Counsel, 19111 N. Dallas Parkway, Suite 165, Dallas, TX 75287 and the address for purposes of Landlord and Tenant shall be as set forth in Section [ZZ] hereof. Any party may change its address upon thirty (30) days prior written notice to the other parties.

EXHIBIT D
PURCHASING AGREEMENT

PURCHASING AGREEMENT

This Purchasing Agreement (“Agreement”) is entered into this ____ day of _____, 20__, by and between TGI Friday’s Inc., a New York corporation, having an address at 19111 North Dallas Parkway, Suite 165, Dallas, Texas 75287 (“Fridays”), and _____, a _____ corporation, having an address at _____ (“Purchaser”).

RECITALS

A. Fridays is in the business of constructing and operating TGI Fridays™ restaurants (“Fridays Restaurants”) and is experienced at purchasing kitchen, bar and other furniture, fixtures, equipment, décor and other personal property (collectively, “FF&E”) for use in Fridays Restaurants. As used in this Agreement, “construction,” “constructing,” “construct,” and words of similar import refer to development, construction, equipping, renovation, reimage, remodeling, refurbishment, conversion, relocating, and maintenance of the Restaurant, whether initially, as part of a subsequent updating of the Restaurant, or in connection with a reconstruction following casualty or condemnation, as applicable.

B. Purchaser desires to have Fridays act as Purchaser’s agent to purchase with Purchaser’s funds, certain FF&E for a Fridays Restaurant to be constructed and operated by Purchaser at _____ [location] (“Restaurant”).

C. Fridays is willing to purchase such FF&E only with funds prepaid by Purchaser to Fridays, and only up to the amount of prepaid available funds transferred to Fridays by Purchaser.

AGREEMENT

NOW, THEREFORE, in consideration of the premises set forth above and other good and valuable consideration as hereinafter set forth, the parties agree as follows:

1. If Purchaser (i) delivers to Fridays, by no later than six (6) weeks before the scheduled commencement date for construction of the Restaurant, two (2) copies of this Agreement executed by Purchaser; and (ii) pays Fridays all estimated fees, costs, and expenses including, but not limited to, taxes, freight, handling, and warehouse charges (including handling and delivery charges) (collectively “Charges”), Fridays will order (within ten [10] business days), purchase and coordinate, the delivery of the FF&E listed on Attachment A attached hereto and incorporated herein by this reference (“Purchased FF&E”). The estimated Charges for the Purchased FF&E are also set forth on Attachment A.

2. If required by Fridays, Purchaser shall pay to Fridays in advance (in addition to the Charges) a commission equal to eight percent (8%) of the Charges as consideration for the services provided by Fridays and its agents.

3. Purchaser acknowledges that: (i) the Charges are estimated costs obtained in good faith by Fridays from the manufacturers, suppliers, shippers, bailees and related vendors involved in the provision of such Purchased FF&E (collectively “Vendors”), (ii) Fridays does not represent or guaranty that the Charges for any particular piece of the Purchased FF&E will not be increased by the suppliers, and (iii) Purchaser shall be fully responsible for any such increases and any other costs, expenses and commissions attributable to such increases. If the option is available, Purchaser may elect, upon timely written notice to Fridays, to receive early shipment of the Purchased FF&E.

4. Purchaser shall pay all amounts due to Fridays under this Agreement by the method of payment required by Fridays which may be, among others, check or electronic funds transfer.

5. If Fridays, in its sole discretion, elects to waive the requirement for Purchase to prepay the Charges, Purchaser shall pay the charges in full no later than thirty (30) days following the date of Fridays' invoice therefor, and the due date for the payment is a Saturday, Sunday or bank holiday, Fridays must receive such payment on or before the business day immediately preceding such Saturday, Sunday or bank holiday.

6. Purchaser acknowledges that any warranties with respect to the Purchased FF&E will be provided and honored solely by the Vendors, and not through Fridays. The Vendors may provide a list of authorized service agencies for the some or all of the Purchased FF&E and the available warranties upon delivery. Start-up service for the Purchased FF&E (other than ice machines, if any) is not included in the manufacturer's warranties.

7. All equipment included in the Purchased FF&E (except stainless steel fabricated items, exhaust ventilators, walk-in boxes and compressor racks, if any) will be shipped to a storage warehouse close to the Restaurant for staging prior to installation. Fridays will deliver such equipment to the warehouse approximately two (2) weeks prior to the required installation date. The remainder of the Purchased FF&E will be delivered to the Restaurant approximately one (1) week prior to the required installation date. Purchaser shall be responsible for the installation of the Purchased FF&E. Approximately ten (10) days prior to any delivery, Fridays may, in its sole discretion, require Purchaser to execute a certificate of acceptance with respect to each such delivery and deliver a copy of each signed certificate to Fridays' Strategic Sourcing Department. Fridays will arrange for the receiving, storage and delivery of the Purchased FF&E and for completion of receiving reports, freight damage claims, and freight tracing through Fridays' agreement with the local storage warehouse or shipper.

8. Purchaser will be responsible for acquiring all approvals and permits for the installation of the Purchased FF&E at the Restaurant in accordance with plans as approved by Fridays. Any deviations from plans must be transmitted to Fridays in writing at least ten (10) weeks before the scheduled installation date. Any unusual requirements made by local environmental protection or other agencies are not covered in the Charges.

9. Purchaser acknowledges that (i) Fridays makes no express or implied warranties with respect to the Purchased FF&E any portions thereof and makes no warranties of merchantability or fitness of said Purchased FF&E for any particular purpose; and (ii) the only warranties available to Purchaser are the warranties provided, if any, by the Vendors. Purchaser fully releases Fridays from any liability whatsoever in connection with any warranty. Purchaser agrees to look solely to the installer of the Purchased FF&E with respect to any defects and/or damages incurred or connected in any way with the installation thereof, and fully releases Fridays from any liability whatsoever in connection therewith. Where applicable and appropriate, Fridays will forward manufacturer's shop drawings to Purchaser for approval, in which event Purchaser shall be solely responsible for ensuring the accuracy of such drawings. Any costs incurred by Fridays for preparing prints of shop drawings, postage and any other handling by Fridays, shall be reimbursed to Fridays by Purchaser.

10. To secure full and complete payment of all sums due under this Agreement to Fridays, Purchaser hereby grants and assigns to Fridays a security interest in and to, and (to the extent the same constitute "fixtures" as defined in TEX. BUS. & COMMERCE CODE § 9-102(41) or any successor statute) lien on, all of the Purchased FF&E. Such security interest and lien are and shall be a first priority security interest and superior to any encumbrance otherwise created or allowed by Purchaser on said Purchased FF&E. Fridays

may, and Purchaser shall upon request by Fridays, file financing statements and/or fixture filings to evidence such security interest and lien.

11. Miscellaneous.

a. Purchaser shall provide a delivery schedule to Fridays no later than five (5) days prior to the start of construction of the Restaurant. Purchaser will notify Fridays immediately of any delay that may impact shipment or delivery of any portion of the Purchased FF&E.

b. Purchaser shall indemnify and hold harmless Fridays, its agents, employees, and contractors from and against any and all damages, claims, and expenses, including personal injuries (i) arising out of or resulting from any work related to construction conducted by Purchaser; or (ii) in connection with the use of any of the Purchased FF&E. As part of such indemnification, Purchaser shall defend any suits brought against Fridays, except that Fridays may elect to defend any such suits at the expense of Purchaser. Purchaser must obtain and carry products liability insurance on any Purchased FF&E purchased by Fridays for Purchaser and name Fridays as an additional insured under all such insurance policies. Notwithstanding any language to the contrary in the insurance policies of either Fridays or Purchaser, Purchaser's insurance will provide primary coverage. Upon Fridays' request, Purchaser must provide to Fridays a copy of any insurance policy and/or a properly endorsed certificate of insurance.

c. If either party fails to invoke any right, condition, or covenant in this Agreement, that failure shall not be deemed to imply or constitute a waiver of any right, condition, or covenant.

d. If any term of this Agreement shall to any extent be invalid or unenforceable, the remainder of the Agreement shall not be affected thereby.

e. If either party initiates legal proceedings to enforce this Agreement or to recover damages because of an alleged breach, the prevailing party shall be entitled to recover its reasonable attorneys' fees from the other.

f. This Agreement shall be governed by the laws of the State of Texas.

g. Any proceedings initiated to enforce this Agreement shall be brought in state or federal courts where Fridays maintains its principal place of business as of the date the suit is filed.

h. Purchaser shall bear the risk of loss from any casualty to the Purchased FF&E.

i. Purchaser agrees that Fridays shall not be liable for any damages, claims and expenses arising out of or resulting from any claim that any Purchased FF&E purchased by Fridays pursuant to this Agreement infringes any third party's patent, copyright, trade secret, or proprietary right.

j. Purchaser represents that this Agreement does not violate any agreements between Purchaser and any other party. Purchaser shall indemnify and hold harmless Fridays from any and all damages, claims, and expenses arising out of or resulting from any claim that this Agreement violates any such agreements.

12. Purchase Option.

a. Purchaser agrees that in the event Purchaser or its successors and assigns cease to operate the Restaurant as a Fridays Restaurant, or if Purchaser or its successors and assigns cease to use the Purchased FF&E pursuant to this Agreement, Fridays shall have the option to purchase (“Option”) from Purchaser and (if Fridays exercises the Option) Purchaser shall have the obligation to sell to Fridays all (or any portion designated by Fridays) of the Purchased FF&E and/or any replacements thereof (“Option FF&E”) at the fair market value thereof, free and clear of all liens, encumbrances or claims, and subject to such other terms and conditions as are usual and customary for such acquisitions, at the time Fridays exercises the Option.

b. If Fridays and Purchaser are unable to agree on the fair market value of the Option FF&E within fifteen (15) days after Purchaser’s receipt of Fridays’ notice of its intent to exercise this Option, the fair market value shall be determined by two professionally certified appraisers, Purchaser selecting one and Fridays selecting one. If the valuations set by the two appraisers differ by more than 10%, the two appraisers shall select a third professionally certified appraiser who also shall appraise the fair market value of the Option FF&E. The average value set by the appraisers (whether two or three appraisers as the case may be) shall be conclusive and shall be the purchase price.

c. Fridays and Purchaser shall bear any appraisal costs equally. In the event Fridays elects, in its sole discretion, to proceed with all or any part of such acquisition, said acquisition shall be completed no later than thirty (30) days after the fair market value is established by agreement or by decision of the appraisers. The purchase price, less any sums otherwise due Fridays from Purchaser or any of its affiliates, shall be paid to Purchaser at a closing which shall take place at Fridays offices, or such other location as shall be mutually agreed to by the parties. At such closing, the parties shall execute such instruments of conveyance and/or transfer as reasonably required by Fridays. If Fridays does not exercise the Option, Purchaser shall dispose of the Purchased FF&E only in a manner to which Fridays has given consent for the removal of all other Purchased FF&E.

13. This Agreement shall be effective only upon execution by both parties.

IN WITNESS WHEREOF, the parties have entered into this Agreement effective as of the date first above written.

FRIDAYS:

PURCHASER:

TGI FRIDAY’S INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Attachment A
To
Purchasing Agreement

LIST OF PURCHASED FF&E AND ESTIMATED CHARGES

EXHIBIT D-1

PROFORMA PURCHASE ORDER



Order # Date Terms

Sales Order

Remit to Address

Ship To

Fridays Franchisee - Store #0000
Street Address
City, State Zip Code

TGI FRIDAY'S INC.
PO Box 860369
Minneapolis, MN 55486-0369

Bill To

Fridays Franchisee - Store #0000
Street Address
City, State Zip Code

All amounts payable in USD
Please include invoice number on remittance

Customer PO # Customer #

Item	Quantity	Description	Price	Amount
EQUI594 MISC	1	EXAMPLE SALES ORDER	\$0.00	\$0.00
Sourcing Fee Markup			8%	\$0.00
Freight - FFE Freight - FFE	1	Freight - FFE	\$0.00	\$0.00

Subtotal	\$0.00
Franchisee Fee ()	
Tax Total (8.625%)	\$0.00
Total	\$0.00

Thank you for your business.





Order #

Date

Terms

Sales Order

Freight is estimated on the sales order. Freight may be increased if actual billed is higher than quoted. By execution of this order, you (a) acknowledge that you have fully reviewed the order and agree with its contents, (b) agree to pay all costs and expenses described herein, and (c) acknowledge the prices quoted were obtained in good faith by Fridays. You agree to be fully responsible for any increased prices or costs imposed by suppliers or other third parties. Fridays makes no express or implied warranties, nor warranty of fitness for a particular purpose or of merchantability with respect to the items on this order. You agree to look solely to the manufacturers with respect to any warranties, and fully release Fridays from any liability. Be advised that you are responsible for inspecting all freight and deliveries, and accept ownership upon signing the bill of lading. Do not accept damaged freight and report it to this office immediately. If you find concealed damage, you must also report it immediately and save all packaging and proof of damage as evidence that is required to file a claim. You acknowledge that electronic and/or faxed signatures below with delivery by email or other electronic or digital medium shall be considered valid and binding.

Signature of Approval

Date



EXHIBIT E
LIST OF FRANCHISED RESTAURANTS
AS OF 12/25/2023

<u>STATE</u>	<u>NO.</u>	<u>FRANCHISEE</u>	<u>STREET ADDRESS</u>	<u>CITY</u>	<u>ZIP</u>	<u>PHONE NO.</u>
AR	1561	VI, LLC	1105 East Oak Street	Conway	72032	501-329-8300
AR	1560	VNE, Inc.	6201-B Rogers Avenue Ft. Smith AR	Ft. Smith	72903	501-484-0906
CA	1088	Cedar Fair, L.P.	8039 Beach Blvd	Buena Park	90620	714-220-5076
DE	1521	United Restaurant Group, L.P.	650 S. College Avenue	Newark	19713	302-737-3700
DE	1520	United Restaurant Group, L.P.	128 N. Dupont Parkway	New Castle	19720	302-325-6622
DE	1887	United Restaurant Group, L.P.	Route 13 & Lockerman Street	Dover	19901	302-735-3500
DE	1885	United Restaurant Group, L.P.	301 Rocky Run Parkway	Wilmington	19803	302-479-7170
FL	2645	Atlanta Restaurant Partners, LLC	855 N. University Drive	Coral Springs	33071	954-344-0884
FL	2624	Orlando Restaurants, Inc.	3075 Clark Butler Road	Gainesville	32608	352-336-0033
FL	2644	Atlanta Restaurant Partners, LLC	2940 Oakwood Blvd	Hollywood	33020	954-922-2771
FL	2625	Orlando Restaurants, Inc.	5034 W. Irlo Bronson Highway	Kissimmee	34746	407-397-2200
FL	2627	Orlando Restaurants, Inc.	7798 Irlo Bronson Highway	Kissimmee	34746	407-397-4300
FL	2150	Atlanta Restaurant Partners, LLC	Miami International Airport, Gate D-36, 4200 NW 21 st Street	Miami	33122	305-869-1464
FL	2652	Atlanta Restaurant Partners, LLC	14891 Biscayne Blvd	North Miami Beach	33181	305-944-4096
FL	2628	Orlando Restaurants, Inc.	625 N. Alafava Trail	Orlando	32828	407-658-2750
FL	2632	Orlando Restaurants, Inc.	10811 International Drive	Orlando	32802	407-351-5870
FL	2633	Orlando Restaurants, Inc.	7118 S. Semoran Blvd	Orlando	32822	407-855-1070
FL	2635	Orlando Restaurants, Inc.	5933 Caravan Court	Orlando	32819	407-903-0338
FL	2636	Orlando Restaurants, Inc.	8955 International Drive	Orlando	32819	407-903-9556
FL	2637	Orlando Restaurants, Inc.	4151 Millenia Blvd	Orlando	32839	407-352-7540
FL	2643	Atlanta Restaurant Partners, LLC	90 N. University Drive	Pembroke Pines	33024	954-436-4716
FL	2641	Atlanta Restaurant Partners, LLC	80 SW 84th Avenue	Plantation	33324	954-472-5560
FL	2631	Orlando Restaurants, Inc.	11705 W. Hillsborough Avenue	Tampa	33635	813-891-6496
GA	1935	Atlanta Restaurant Partners, LLC	Hartsfield-Jackson Atlanta International Airport, 6000 N. Terminal Parkway, B Centerpoint	Atlanta	30320	404-763-3420
GA	2037	Atlanta Restaurant Partners, LLC	Hartsfield-Jackson Atlanta Int'l Airport, Concourse E, Space E-F7	Atlanta	30320	404-763-0689

EXHIBIT E
LIST OF FRANCHISED RESTAURANTS
AS OF 12/25/2023

<u>STATE</u>	<u>NO.</u>	<u>FRANCHISEE</u>	<u>STREET ADDRESS</u>	<u>CITY</u>	<u>ZIP</u>	<u>PHONE NO.</u>
GA	2112	Atlanta Restaurant Partners, LLC	3670 Camp Creek Parkway	Atlanta	30331	404-344-4180
GA	2472	Atlanta Restaurant Partners, LLC	Hartsfield-Jackson Atlanta Int'l Airport, North Concourse, Space T-F8	Atlanta	30320	404-766-1090
GA	2486	Atlanta Restaurant Partners, LLC	Hartsfield-Jackson Atlanta Int'l Airport, Atrium F-10	Atlanta	30320	404-767-7567
GA	2473	Atlanta Restaurant Partners, LLC	2871 Stonecrest Circle	Lithonia	30038	770-482-2000
GA	2443	Atlanta Restaurant Partners, LLC	1881 Mount Zion	Morrow	30260	770-968-3303
IL	2674	Central Florida Restaurants, Inc.	888 North Route 59	Aurora	60504	630-851-6565
IL	1850	RLJ-Midway Restaurant Lessee, LLC	6600 S. Cicero Avenue	Bedford Park	60638	708-594-0777
IL	2672	Central Florida Restaurants, Inc.	1503 North State Road	Bourbannaise	60914	815-929-1760
IL	2668	Central Florida Restaurants, Inc.	153 E. Erie Street	Chicago	60611	312-664-9820
IL	2670	Central Florida Restaurants, Inc.	2201 West 75th Street	Darien	60561	630-434-0290
IL	1896	Village XIII, Inc.	1208 N. Keller Drive	Effingham	62401	217-342-9499
IL	1490	American Pub, LLC	6910 N. Illinois	Fairview Heights	62208	636-537-9777
IL	2669	Central Florida Restaurants, Inc.	6577 Grand Avenue	Gurnee	60031	847-855-0007
IL	2673	Central Florida Restaurants, Inc.	3340 Mall Loop Drive, 1078 Louis Joliet Mall,	Joliet	60431	815-254-1882
IL	2678	Midwest TGF, Inc.	5420 W. 95th Street	Oak Lawn	60453	708-422-0339
IL	2665	Central Florida Restaurants, Inc.	401 North Harlem Avenue	Oak Park	60301	708-445-8249
IL	2684	Central Florida Restaurants, Inc.	2410 Route 34	Oswego	60543	630-554-7337
IL	2677	Central Florida Restaurants, Inc.	1695 E. Golf Road	Schaumburg	60173	847-969-0126
IL	2683	Central Florida Restaurants, Inc.	9551 Higgins Road	Rosemont	60018	847-292-1138
IL	2685	Central Florida Restaurants, Inc.	7200 W. 191st Street	Tinley Park	60487	815-464-0082
IN	2698	Midwest TGF, Inc.	800 N. Green River Road, Suite 101	Evansville	47715	812-491-8443
IN	2697	Central Florida Restaurants, Inc.	1251 US Highway 31 North, Box 37	Greenwood	46227	317-887-4150
IN	2696	Midwest TGF, Inc.	6915 West 39th Street	Indianapolis	46254	317-347-8443
IN	2700	Midwest TGF, Inc.	3502 E. 86th Street	Indianapolis	46240	317-846-8243
IN	2680	Central Florida Restaurants, Inc.	703 U.S. 41	Schererville	46375	219-864-2457
IN	2699	Central Florida Restaurants, Inc.	3401 South U.S. Highway 41	Terre Haute	47802	812-232-8444

EXHIBIT E
LIST OF FRANCHISED RESTAURANTS
AS OF 12/25/2023

<u>STATE</u>	<u>NO.</u>	<u>FRANCHISEE</u>	<u>STREET ADDRESS</u>	<u>CITY</u>	<u>ZIP</u>	<u>PHONE NO.</u>
KY	1814	1814 Falcons Food, LLC	2804 Turkey Foot Road	Creview Hills	41017	606-341-8000
KY	1108	1108 Falcons Food, LLC	415 S. Fourth Street	Louisville	40202	502-585-3577
MD	2149	Atlanta Restaurant Partners, LLC	2435 Liberty Heights Avenue	Baltimore	21215	410- 728-0394
MD	2098	Atlanta Restaurant Partners, LLC	5740 Silver Hill Road	District Heights	20747	301-420-5520
MD	1759	Atlanta Restaurant Partners, LLC	6460 Capitol Drive	Greenbelt	20770	301-345-2503
MD	2036	Atlanta Restaurant Partners, LLC	12287 Tech Road	Silver Springs	20904	301-625-0002
MD	2151	Atlanta Restaurant Partners, LLC	1101 Shoppers Way	Upper Marlboro	20774	301-324-2017
MA	4158	Sugarloaf Hospitality LLC	1626 Tremont St	Boston	02120	(617) 734-1047
MA	4161	Sugarloaf Hospitality LLC	60 Forbes Road	Braintree	02184	(781) 848-3133
MA	4160	Sugarloaf Hospitality LLC	33 Mystic View Road	Everett	02149	(617) 387-5226
MA	4157	Sugarloaf Hospitality LLC	90 Pleasant Valley St	Methuen	01844	(978) 794-8443
MA	4163	Sugarloaf Hospitality LLC	70 Worcester Providence Turnpike	Millbury	01527	(508) 865-9189
MA	4164	Sugarloaf Hospitality LLC	2 Hawes Way	Stoughton	02072	(781) 341-1712
MI	1796	Midwest TGF, Inc.	3179 Alpine	Grand Rapids	49544	616-784-4613
MI	1924	Central Florida Restaurants, Inc.	3700 Rivertown Parkway	Grandville	49418	616-257-8801
MI	1301	Central Florida Restaurants, Inc.	2775 Tittabawassee	Saginaw	48604	989-497-8443
MI	2703	Midwest TGF, Inc.	26299 Evergreen Road	Southfield	48076	248-353-5531
MN	2687	Central Florida Restaurants, Inc.	7730 Normandale Blvd	Bloomington	55435	952-831-8889
MN	2693	Midwest TGF, Inc.	2201 Killebrew Drive	Bloomington	55425	952-854-5112
MN	2688	Central Florida Restaurants, Inc.	1400 Buckhall Road	Burnsville	55305	952-892-0780
MN	2689	Central Florida Restaurants, Inc.	12519 Riverdale Blvd	Coon Rapids	55448	763-427-7100
MN	2692	Central Florida Restaurants, Inc.	11830 Fountains Way	Maple Grove	55369	763-424-3446
MN	2691	Central Florida Restaurants, Inc.	3087 White Bear Ave N	Maplewood	55109	651-704-9052
MN	2686	Central Florida Restaurants, Inc.	5875 Wayzata Blvd	St. Louis Park	55416	952-544-0675
MO	2201	American Pub, LLC	3030 I-70 Drive SE	Columbia	65201	573-817-2440
MO	1875	American Pub, LLC	2000 First capital Drive South	St. Charles	63303	314-946-2000
MO	1874	American Pub, LLC	5262 S. Lindbergh Blvd	St. Louis	64126	314-849-4556

EXHIBIT E
LIST OF FRANCHISED RESTAURANTS
AS OF 12/25/2023

<u>STATE</u>	<u>NO.</u>	<u>FRANCHISEE</u>	<u>STREET ADDRESS</u>	<u>CITY</u>	<u>ZIP</u>	<u>PHONE NO.</u>
NH	4162	Sugarloaf Hospitality LLC	221 Loudon Road	Concord	03301	(603) 226-1012
NH	4159	Sugarloaf Hospitality LLC	1516 S. Willow Street	Manchester	03103	(603) 644-8995
NJ	1683	Northeast Concepts Inc.	709 Route 70	Brick	08723	732-262-0937
NJ	1682	Northeast Concepts Inc.	601 Washington Avenue	Manahawkin	08050	609-489-0950
NJ	1681	South Jersey Pubs, Inc.	1279 Hooper Avenue	Tom's River	08753	908-914-1113
NJ	1408	Northeast Concepts Inc.	5901 Route 42 Washington Plaza	Turnersville	08012	856-374-1212
NC	1738	United Restaurant Group, L.P.	115 Henderson Road	Asheville	28803	828-277-4080
NC	1742	Atlanta Restaurant Partners, LLC	409 West W.T. Harris Boulevard	Charlotte	28262	704-548-8113
NC	1743	Atlanta Restaurant Partners, LLC	8041 Concord Mills Boulevard	Charlotte	28027	704-979-3043
NC	2598	Atlanta Restaurant Partners, LLC	6840 Northlake Mall Drive	Charlotte	28216	704-596-2869
NC	2599	Atlanta Restaurant Partners, LLC	12811 S. Tryon Street	Charlotte	28273	704-587-9242
NC	2175	United Restaurant Group, L.P.	1100 Timber Rive East	Garner	27529	919-779-1935
NC	1541	United Restaurant Group, L.P.	4423 W. Wendover Avenue	Greensboro	27407	910-294-3707
OH	1504	1504 Falcons Food, LLC	2799 Centre Drive	Beavercreek	45324	937-429-0019
OH	1412	BP Brooklyn, LLC	10320 Cascade Crossing	Brooklyn	44144	216-267-0300
OH	2706	Central Florida Restaurants, Inc.	4635 Dressler Road, N.W.	Canton	44718	330-493-8824
OH	2543	2543 Falcons Food, LLC	3719 Stone Creek Blvd	Cincinnati	45241	513-245-2600
OH	1546	Cleveland Restaurant Operation Limited Partnership II	7814 Reynolds Road	Mentor	44060	440-953-2400
OH	2789	CFC Mansfield, L.P.	900 N. Lexington-Springmill Road	Ontario	44906	(419) 747-6000
OH	2694	Central Florida Restaurants, Inc.	2928 Taylor Road	Reynoldsburg	43068	614-751-4697
OH	1933	Millennium Operations, LLC	One Causeway Street	Sandusky	44871	419-626-0830 x3643
OH	1547	Cleveland Restaurant Operation Limited Partnership III	18400 Royalton Rd	Strongsville	44136	440-238-1299
OH	1133	Lakeview I, Ltd.	4300 Lake Pointe Corporate Drive	Stow	44224	330-920-1933
OH	2704	Central Florida Restaurants, Inc.	1334 Bernath Parkway	Toledo	43615	419-866-1798
OH	1107	1107 Falcons Food LLC	77656 Cox Lane	West Chester	45069	513-779-8582
OK	1492	American Pub, LLC	4239 Northwest Expressway	Oklahoma City	73116	405-842-2111

EXHIBIT E
LIST OF FRANCHISED RESTAURANTS
AS OF 12/25/2023

<u>STATE</u>	<u>NO.</u>	<u>FRANCHISEE</u>	<u>STREET ADDRESS</u>	<u>CITY</u>	<u>ZIP</u>	<u>PHONE NO.</u>
PA	1817	1817 Falcons Food, LLC	2800 Oxford Drive	Bethel Park	15102	412-854-5610
PA	1091	Metz Enterprises, Inc.	4402 Southmonth Way	Easton	18045	910-923-7855
PA	1548	Cleveland Restaurant Operation Limited Partnership IV	6755 Peach Street	Eric	16509	814-868-9655
PA	1507	1507 Falcons Food LLC	6220 Route 30	Greensburg	15601	724-837-5240
PA	1818	1818 Falcons Food, LLC	240 Mall Boulevard	Monroeville	15146	412-372-6630
PA	1756	Atlanta Restaurant Partners, LLC	4000 City Line Avenue	Philadelphia	19131	215-878-7070
PA	1500	Host International, Inc.	Pittsburgh International Airport P.O. Box 12207	Pittsburgh	15231	412-472-5162
PA	1684	Lehigh Valley Pubs, Inc.	10 N. West End Blvd	Quakertown	18951	215-529-4490
PA	1425	Northeast Concepts Inc.	620 Scranton-Carbondale Highway	Scranton	18508	570-558-5500
PA	1680	Northeast Restaurant Group, Inc.	880 Kidder Street	Wilkes Barre	18702	717-823-9923
PA	1679	Lycoming Pubs, Inc.	1840 E. Third Street	Williamsport	17701	717-320-8443
SC	2085	Atlanta Restaurant Partners, LLC	1114 Woodruff Road	Greenville	29607	864-675-1154
TN	1564	Tri-C Inc.	959 Parkway	Gatlinburg	37738	423-436-8443
TN	2038	Tri-C, Inc.	2794 Parkway	Pigeon Forge	37863	865-453-1750
VA	1190	United Restaurant Group, L.P.	110 Volvo Parkway	Chesapeake	23320	757-549-6100
VA	1194	United Restaurant Group, L.P.	8100 Creighton Parkway	Mechanicsville	23111	804-559-2426
VA	1542	United Restaurant Group, L.P.	12122 Jefferson Avenue	Newport News	23602	757-881-9788
VA	1191	United Restaurant Group, L.P.	13140 Rittenhouse	Richmond	23292	804-763-0553
VA	1889	United Restaurant Group, L.P.	7023 W. Broad Street	Richmond	23229	804-672-9477
VA	2208	United Restaurant Group, L.P.	4459 South Laburnum Avenue	Richmond	23231	208-463-4003
VA	1598	United Restaurant Group, L.P.	4869 Valley View Boulevard	Roanoke	24012	540-362-1475
WV	2555	2555 Falcons Food, LLC	160 South View Drive	Bridgeport	26330	304-608-2022
WV	1511	1511 Falcons Food LLC	#4 Goff Crossing Drive	Cross Lane	25313	304-776-5077
WI	1485	Central Florida Restaurants, Inc.	4699 Michaels Drive	Appleton	54915	920-735-0200
WI	1487	Central Florida Restaurants, Inc.	2502 E Springs Drive	Madison	53704	608-249-4544

EXHIBIT F

**LIST OF FORMER FRANCHISEES
AND FRANCHISEES THAT HAVE CLOSED A RESTAURANT
DURING THE FISCAL YEAR ENDING 12/25/2023**

Central Florida Restaurants, LLC

Fremont, CA 94538

(510) 792-3393

(franchisee closed 1 restaurant in Michigan and continues to operate other restaurants)

RAFS of FWB, Inc.

Panama City, FL 32405

(850) 769-8981

(franchisee closed 1 restaurant in Florida)

RAFS of Panama City, Inc.

Panama City, FL 32405

(850) 769-8981

(franchisee closed 1 restaurant in Florida)

Atlanta Restaurant Partners, LLC

Atlanta, GA

(404) 523-5744

(franchisee closed 2 restaurants in Florida, 2 restaurants in Georgia and continues to operate other restaurants)

1509 Falcons Food, LLC

Snellville, GA 30078

(770) 736-2181

(franchisee closed 1 restaurant in Pennsylvania and continues to operate other restaurants)

Cheers to Great Memories, LLC

Meridian, ID 83646

(208) 350-3782

(franchisee closed 1 restaurant in Idaho)

White Legacy Properties, LLC

Merrillville, IN 46410

(219) 757-3611

(franchisee closed 1 restaurant in Indiana and has left the system)

BP Green, LLC

Cleveland, OH 44113

(216) 328-1121

(franchisee closed 1 restaurant in Ohio and continues to operate other restaurants)

Tri-C, Inc.

Sevierville, TN 37876

(865) 428-1823

(franchisee closed 1 restaurant in Tennessee and continues to operate other restaurants)

United Restaurant Group, L.P.
Glen Allen, VA 23060
(804) 747-5050

(franchisee closed 1 restaurant in Virginia and continues to operate other restaurants)

**LIST OF FRANCHISEES THAT CLOSED A RESTAURANT
AFTER THE FISCAL YEAR ENDING 12/25/2023**

United Restaurant Group, LP.
Glen Allen, VA
(804) 747-5050

(franchisee closed 2 restaurants in Virginia after the fiscal year ending 12/25/2023 and continues to operate other restaurants)

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

**LIST OF FRANCHISEES THAT TRANSFERRED A RESTAURANT
TO NEW OWNERS (OTHER THAN THE FRANCHISOR)
DURING THE FISCAL YEAR ENDING 12/25/2023**

Central Florida Restaurants, LLC
Fremont, CA 94538
(510) 792-3393

(franchisee transferred 1 restaurant in Illinois, 3 restaurants in Indiana, 2 restaurants in Michigan, and 1 restaurant in Minnesota and continues to operate other restaurants)

EXHIBIT G

CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement is entered into this ____ day of _____, _____, by and among _____, a _____ corporation, _____ and _____ (collectively, "Interested Party") and TGI Fridays Franchisor, LLC, a Delaware limited liability company ("Franchisor"), with reference to the following facts:

WHEREAS, Franchisor operates a system of casual theme restaurants, some of which are franchised; and

WHEREAS, Interested Party is considering the acquisition of a franchise from Franchisor; and

WHEREAS, Franchisor desires to permit Interested Party access to certain confidential and proprietary information, know-how and documents related to the business of Franchisor which will help Interested Party in connection with its evaluation of the franchise.

NOW, THEREFORE, in consideration of the premises, the mutual covenants herein contained and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Definition. The term "Confidential Information" means information, oral or written, know-how and documents relating to Franchisor or its subsidiaries or affiliates, furnished by Franchisor or the representatives of Franchisor, to the Interested Party or its affiliates or representatives, but does not include information which Interested Party can establish (i) is or becomes generally available to the public other than as a result of disclosure by the Interested Party, or (ii) becomes available to the Interested Party from a source other than Franchisor or the representatives of Franchisor, provided that such source is not and was not bound by a confidentiality agreement with Franchisor. Confidential Information shall include, without limitation, any analysis or study prepared by or for the Interested Party or its representatives which to any extent is based on Confidential Information.

2. Confidential Agreement. Interested Party acknowledges that Franchisor desires to maintain the confidentiality of the Confidential Information and is making it available to the Interested Party only for the limited purpose of investigating the franchise. Interested Party further acknowledges and agrees that the Confidential Information is proprietary to and a valuable trade secret of Franchisor and that any disclosure or unauthorized use thereof shall cause irreparable loss and harm to Franchisor. In consideration of the opportunity to obtain access to the Confidential Information, the Interested Party hereby agrees as follows:

(i) not to use the Confidential Information for its own use or for any other purpose except to carry out its investigation of the franchise and not to disclose the Confidential Information, except (a) as may be required by law, or (b) to employees, outside counsel, accountants, and other representatives or affiliates of the Interested Party who need to know such information for the purpose of investigating the franchise. In the event Interested Party or any persons to whom it discloses the Confidential Information become legally compelled (by deposition, interrogatory, requests for documents, subpoena, civil investigative demand or similar process) to disclose any of the Confidential Information, Interested Party shall provide Franchisor with prompt prior written notice of such requirement so that Franchisor may seek a protective order or other appropriate remedy and/or waive compliance with the terms hereof. In the event that such protective order or other remedy is not obtained, or that Franchisor waives compliance with provisions hereof, Interested Party agrees to furnish only that portion of the Confidential Information

which Interested Party is advised by written opinion of counsel is legally required and exercise best efforts to obtain assurance that confidential treatment will be accorded such Confidential Information.

(ii) to ensure that all employees, outside counsel, accountants and other representatives and affiliates of the Interested Party who are given access to the Confidential Information on behalf of the Interested Party will be bound by, and will conduct their investigation in accordance with the terms of this Agreement. Interested Party shall be fully responsible for any breach of this Agreement by any person to whom access to the Confidential Information is given by the Interested Party or its representatives;

(iii) not to make copies of the Confidential Information except as necessary to assist the Interested Party in its investigation of the franchise; and

(iv) if Interested Party does not enter into a franchise relationship with Fridays, or upon request by Franchisor, to promptly return to Fridays all Confidential Information and all copies thereof.

3. Absence of Representation or Warranties. Interested Party understands and acknowledges that Franchisor is not making any representation or warranty, express or implied, as to the accuracy or completeness of the Confidential Information, and neither Franchisor nor any of its officer's directors, employees, agents or affiliates will have any liability to Interested Party or any other person resulting from Interested Party's use of Confidential Information. Only those representations and warranties, if any, that are made to Interested Party in any franchise documents when, as, and if executed, and subject to such limitations and restrictions as may be specified in such franchise documents, will have any legal effect.

4. Ownership. Interested Party acknowledges that the Confidential Information is solely owned by Franchisor and that this Agreement shall not grant to Interested Party any rights in or to the Confidential Information except the limited right to use the Confidential Information to investigate the franchise.

5. Remedies. Interested Party agrees that its obligations hereunder are necessary and reasonable in order to protect Franchisor and expressly agrees that monetary damages would be inadequate to compensate Franchisor for any breach of any covenant or agreement set forth herein. Accordingly, Interested Party agrees and acknowledges that any such violation or threatened violation will cause irreparable injury to Franchisor and that, in addition to any other remedies that may be available, in law, in equity or otherwise, Franchisor shall be entitled to obtain injunctive relief and specific performance against Interested Party for the threatened breach of this Agreement or the continuation of any such breach, without proof of actual damages.

6. Successors and Assigns. This Agreement shall be binding upon and inure for the benefit of the undersigned parties, their successors and assigns; provided, however that the Confidential Information shall not be assigned without the prior written consent of Franchisor.

7. Amendments and Waiver. This Agreement may be amended only in writing executed by the parties hereto. THERE ARE NO UNWRITTEN AGREEMENTS BETWEEN THE PARTIES. Failure to enforce any provision of this Agreement in one or more instances shall not constitute a waiver of any term hereof.

8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas (regardless of the laws that might otherwise govern under applicable principals of conflicts of law) as to all matters, including by not limited to matter of validity, construction, effect, performance and remedies.

9. Jurisdiction, Venue and Waiver of Jury Trial. THIS AGREEMENT SHALL BE PERFORMED IN SUBSTANTIAL PART IN DALLAS COUNTY, TEXAS. ANY SUIT, ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT SHALL BE BROUGHT EXCLUSIVELY IN THE STATE COURTS OF THE STATE OF TEXAS, COUNTY OF DALLAS, OR IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS. FOR THE PURPOSES OF SUCH EXCLUSIVE JURISDICTION, THE PARTIES HEREBY IRREVOCABLY WAIVE ANY OBJECTIONS WHICH THEY MAY NOW OR HEREAFTER HAVE TO THE JURISDICTION OR VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT BROUGHT IN SUCH COURTS AND HEREBY FURTHER IRREVOCABLY WAIVE ANY CLAIM THAT SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. THE PARTIES HEREBY FURTHER IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY RELATED AGREEMENTS.

IN WITNESS WHEREOF, the undersigned parties have executed and delivered this Confidentiality Agreement to be effective as of the day and year first above mentioned.

a _____ corporation

By: _____

Name: _____

Title: _____

“INTERESTED PARTY”

Fridays:

TGI Fridays Franchisor, LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

EXHIBIT H

**TGI FRIDAYS FRANCHISOR, LLC
SUMMARY OF ACKNOWLEDGMENTS
AND
FRANCHISEE QUESTIONNAIRE**

***The following language applies only to transactions governed by the California Franchise Investment Law – This questionnaire does not apply to franchises who intend to operate the franchised business in the State of California.**

Franchisee: _____

State of Formation: _____

Address of Principal Place of Business: _____

Franchisee's Representative: _____

Residence Address of Representative: _____

As you know, TGI Fridays Franchisor, LLC ("Franchisor") and the Franchisee ("You") are preparing to enter into a Franchise Agreement for the operation of a TGI Fridays™ Restaurant (the "Franchise"). The purpose of this Summary of Acknowledgments and Franchisee Questionnaire is to determine whether any statements or promises were made to you that Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest responses to each question.

Indicate your acknowledgment and agreement with each of the following statements by initialing each and signing below:

_____ The Franchisee is a domiciliary of the state of _____ and is not a domiciliary of any other state.

_____ The territory to be developed and/or location of franchised business is: _____.

_____ You received Franchisor's Franchise Disclosure Document ("FDD") dated _____.

_____ Date of Receipt: _____

_____ You received the FDD at least fourteen calendar days before execution of the Franchise Agreement and at least fourteen calendar days before making any payment for the franchise.

_____ You received and personally reviewed the FDD.

_____ You signed a Receipt for the FDD indicating the date you received it.

_____ You understand the information contained in the FDD.

_____ You received and personally reviewed the Franchise Agreement and each exhibit attached to it.

_____ You received a copy of the Franchise Agreement with all material blanks fully completed. Date of Receipt: _____

Store # 1

- _____ You understand your financial and other obligations under the Franchise Agreement.
- _____ You have discussed the economic and business risks of owning and operating the Franchise with an attorney, accountant or other professional advisor.
- _____ You understand the economic and business risks associated with operating the Franchise.
- _____ You understand that the success or failure of the Franchise will depend in large part upon your skills and abilities, business acumen, the location, the local market for products under our trademarks, the local competition, interest rates, the economy, inflation, the number of employees you hire and their compensation and other economic and business factors. You further acknowledge that the economic and business factors that exist at the time of opening of the franchise may change.
- _____ No employee or other person speaking on behalf of Franchisor made any statement or promise to you or anyone else regarding the amount of money you may earn in operating the Franchise that is contrary to, or different from, the information contained in the FDD.
- _____ No employee or other person speaking on behalf of Franchisor made any statement or promise to you or anyone else concerning the total revenues the Franchise may generate that is contrary to, or different from, the information contained in the FDD.
- _____ No employee or other person speaking on behalf of Franchisor made any statement or promise to you or anyone else regarding the costs involved in operating the Franchise that are contrary to, or different from, the information contained in the FDD.
- _____ No employee or other person speaking on behalf of Franchisor made any statement or promise to you or anyone else concerning the actual, average or projected profits or earnings or the likelihood of success that you should or might expect to achieve from operating the Franchise that is contrary to, or different from, the information contained in the FDD.
- _____ No employee or other person speaking on behalf of Franchisor made any statement or promise to you or anyone else, other than those matters addressed in your Franchise Agreement, concerning advertising, marketing, media support, market penetration, training, support service or assistance relating to the Franchise that is contrary to, or different from, the information contained in the FDD.
- _____ You understand that you have not been granted any territorial rights other than as specifically set forth in the Franchise or Development Agreement.
- _____ You understand Franchisor or other Franchisee operated stores may open near your stores so long as they are outside of any geographically defined radius restriction or protected territory specifically defined in your Agreements.
- _____ You understand that Franchisor and its affiliates retain the right to engage, directly or through others, in the production, distribution or sale of food products, beverages and services under the Franchisor's name under systems other than the system pursuant to which your location is operated, and that these other methods of distribution may compete with your restaurant.
- _____ You acknowledge that the license granted in the Franchise Agreement is for the right to operate a franchise at the authorized location only and, other than expressly set forth in writing in the Franchise Agreement, includes no exclusive area or protected area, and that in the absence of a valid Development Agreement in good standing for the subject territory, the Franchisor and its affiliates

Store # 2

have the right to issue franchises or operate company operated restaurants at locations near the authorized location.

If you did not acknowledge or agree to any question, please provide a full explanation in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have acknowledged and agreed to each of the foregoing questions, please leave the following lines blank.

Which of our representatives/employees have you worked with during the franchise sales process? (please place a check mark by the representative(s) below you worked with and note on the following blank line if there were other representatives/employees you worked with)

Chris Devlin _____ Christina Davenport _____

(other representatives/employees?)

Have all of your questions been answered? Yes ___ No ___

You understand that your answers are important to us and we will rely on them.

By signing this Summary of Acknowledgments and Franchisee Questionnaire, you are representing that you have responded truthfully to the above questions. ***This Questionnaire cannot be signed and dated the same day as the Receipt but must be signed and dated the same date you sign your Franchise Agreement and remit your Franchise Fee.***

The following language applies only to transactions governed by the Maryland Franchise Registration and Disclosure Law:

Do not sign this Questionnaire if you are a resident of Maryland or the franchise is to be operated in Maryland.

The following language applies only to transactions governed by the Washington Franchise Investment Protection Act:

Do not sign this Questionnaire if you are a resident of Washington or the franchise is to be operated in Washington.

[SIGNATURES ON THE FOLLOWING PAGE]

Store # 3

FRANCHISE APPLICANT

_____, 20__

ENTITY

By: _____
Name: _____
Title: _____
Date: _____

Store # 4

EXHIBIT I

GENERAL RELEASE

THIS GENERAL RELEASE ("Release") is executed on _____ by _____ ("Franchisee"), _____ (collectively, "Principal Owners") and _____ (collectively, "Guarantors") as a condition of (1) transfer of the Development Agreement dated _____ ("Development Agreement") between Franchisee and _____ ("Franchisor"); or (2) transfer or renewal of the Franchise Agreement dated _____ ("Franchise Agreement") between Franchisee and Franchisor.

1. Release by Franchisee and Guarantors. Franchisee (on behalf of itself and its subsidiaries and affiliates), Principal Owners and Guarantors (on behalf of themselves and their heirs, representatives, successors and assigns) (collectively "Releasers") freely and without any influence forever release Franchisor, its parent, subsidiaries and affiliates, including without limitation, TGI Fridays Inc., and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities, from any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively "Claims"), that Releasers ever owned or held, now own or hold or may in the future own or hold, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, claims for contribution, indemnity and/or subrogation, and claims arising out of, or relating to the **[Development/Franchise]** Agreement and all other agreements between Franchisee, any Principal Owner and/or any Guarantor and Franchisor or its parent, subsidiaries or affiliates, arising out of, or relating to any act, omission or event occurring on or before the date of this Release, unless prohibited by applicable law. **TO THE EXTENT APPLICABLE, FRANCHISEE, EACH PRINCIPAL OWNER AND EACH GUARANTOR INTEND THIS SECTION TO COVER, ENCOMPASS, RELEASE AND EXTINGUISH ALL CLAIMS AND MATTERS THAT MIGHT OTHERWISE BE RESERVED BY CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED THE SETTLEMENT WITH THE DEBTOR."**

2. Risk of Changed Facts. Franchisee, Principal Owners and Guarantors understand that the facts in respect of which the release in Section 1 above is given may turn out to be different from the facts now known or believed by them to be true. Franchisee, Principal Owners and Guarantors hereby accept and assume the risk of the facts turning out to be different and agree that this Release shall nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in facts.

3. No Prior Assignment. Franchisee, Principal Owners and Guarantors represent and warrant that the Releasers are the sole owners of all Claims and rights released hereunder and that Releasers have not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim released under Section 1 above.

4. Covenant Not To Sue. Franchisee, Principal Owners and Guarantors (on behalf of Releasers) covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under Section 1 above with respect to any Claim released under Section 1 above.

5. Complete Defense. Franchisee, Principal Owners and Guarantors: (i) acknowledge that this Release shall be a complete defense to any Claim released under Section 1 above; and (ii) consent to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim.

6. Successors and Assigns. This Release will inure to the benefit of the successors, assigns, heirs and personal representatives of Franchisor and bind the successors, assigns, heirs and personal representatives of each Releaser.

IN WITNESS WHEREOF, Franchisee, Principal Owners and Guarantors have executed this Release as of the date shown above.

ATTEST:

FRANCHISEE:

Print Name: _____

Print Name: _____

Title _____

Date: _____

WITNESS:

PRINCIPAL OWNER:

Print Name: _____

Date: _____

WITNESS:

GUARANTOR:

Print Name: _____

Date: _____

EXHIBIT J
FINANCIAL STATEMENTS

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OR HER OPINION WITH REGARD TO THEIR CONTENT OR FORM.

TGIF Franchisor, LLC

Unaudited interim financial information as of and for the fiscal year-to-date period ended March 25, 2024

Similar conditions relating to the company's going concern assertion still exist as of the period ended March 25, 2024 as were present at the date of the last audited financial statements and as such all guidance provided at that time should still be considered applicable.

TGIF FRANCHISOR, LLC
UNAUDITED BALANCE SHEET
AS OF MARCH 25, 2024

(In thousands)

	Q1-2024
ASSETS	
CURRENT ASSETS:	
Cash and equivalents	\$ 313
Receivables—net	<u>43,497</u>
Total current assets	<u>43,810</u>
OTHER ASSETS:	
Intangible assets—net	183,054
Other assets	<u>43</u>
Total other assets	<u>183,097</u>
TOTAL	<u><u>\$ 226,907</u></u>
LIABILITIES AND EQUITY	
CURRENT LIABILITIES:	
Accounts payable	\$ 38
Accrued liabilities and other	<u>804</u>
Total current liabilities	<u>842</u>
Other long-term liabilities	523
Deferred franchise fees	<u>3,307</u>
Total liabilities	<u>4,672</u>
MEMBER'S EQUITY:	
Contributed capital	235,873
Accumulated deficit	<u>(13,638)</u>
Total member's equity	<u>222,235</u>
TOTAL	<u><u>\$ 226,907</u></u>

See notes to financial statements

Similar conditions relating to the company's going concern assertion still exist as of the period ended March 25, 2024 as were present at the date of the last audited financial statements and as such all guidance provided at that time should still be considered applicable.

TGIF FRANCHISOR, LLC
UNAUDITED STATEMENT OF OPERATIONS
FOR THE FISCAL YEAR-TO-DATE PERIOD ENDED MARCH 25, 2024

(In thousands)

	Q1-2024
REVENUE:	
Revenues from franchisees	\$ 9,544
Revenues from TGIF owned stores	2,880
Licensing revenue	<u>3,229</u>
Total revenue	<u>15,653</u>
COSTS AND EXPENSES:	
General and administrative	(14)
Amortization	<u>1,418</u>
Total costs and expenses	<u>1,404</u>
INCOME FROM OPERATIONS	14,249
INCOME TAX EXPENSE	<u>516</u>
INCOME FROM CONTINUING OPERATIONS	<u>13,733</u>
NET INCOME	<u><u>\$ 13,733</u></u>

See notes to financial statements

Similar conditions relating to the company's going concern assertion still exist as of the period ended March 25, 2024 as were present at the date of the last audited financial statements and as such all guidance provided at that time should still be considered applicable.

TGIF FRANCHISOR, LLC
UNAUDITED STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR-TO-DATE PERIOD ENDED MARCH 25, 2024

(In thousands)

	Q1-2024
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	\$ 13,733
Noncash items included in net income (loss):	
Amortization	1,418
Changes in operating assets and liabilities	
Accounts receivables	(2,816)
Receivables from affiliates	(12,288)
Accrued liabilities	38
Other long-term accrued liabilities	<u>(197)</u>
Net cash used in operating activities	(112)
NET DECREASE IN CASH AND EQUIVALENTS	(112)
CASH AND EQUIVALENTS—Beginning of period	<u>425</u>
CASH AND EQUIVALENTS—End of period	<u><u>\$ 313</u></u>

See notes to financial statements.

Similar conditions relating to the company's going concern assertion still exist as of the period ended March 25, 2024 as were present at the date of the last audited financial statements and as such all guidance provided at that time should still be considered applicable.

TGIF Midco, Inc. and Subsidiaries

Unaudited interim consolidated financial information as of and for the fiscal year-to-date period ended March 25, 2024

Similar conditions relating to the company's going concern assertion still exist as of the period ended March 25, 2024 as were present at the date of the last audited financial statements and as such all guidance provided at that time should still be considered applicable.

TGIF MIDCO, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEET
AS OF MARCH 25, 2024

(In thousands except share information)

	<u>Q1 2024</u>
ASSETS	
CURRENT ASSETS:	
Cash and equivalents	\$ 2,759
Restricted Cash	11,925
Receivables—net	15,139
Inventories	3,470
Prepaid expenses and other	<u>3,784</u>
Total current assets	<u>37,077</u>
PROPERTY, EQUIPMENT, AND IMPROVEMENTS—Net	<u>23,390</u>
OTHER ASSETS:	
Goodwill	12,403
ROU assets	122,999
Intangible assets—net	202,045
Notes receivable	84
Other assets	<u>158</u>
Total other assets	<u>337,689</u>
TOTAL	<u>\$ 398,156</u>
LIABILITIES AND EQUITY	
CURRENT LIABILITIES:	
Accounts payable	\$ 42,915
Accrued liabilities	53,308
Long-term debt—current	36,448
Income taxes payable	<u>9</u>
Total current liabilities	<u>132,680</u>
Deferred income taxes	7,392
Long-term debt	279,343
Acquisitions notes payable	1,747
Lease liabilities	112,829
Other long-term liabilities	<u>4,794</u>
Total liabilities	<u>538,785</u>
EQUITY:	
Common stock, \$.01 stated value—250,000 shares authorized	
199,270 shares issued and outstanding	23,257
Accumulated deficit	<u>(166,306)</u>
Total Company equity	(143,049)
Noncontrolling interest	<u>2,421</u>
Total equity	<u>(140,628)</u>
TOTAL	<u>\$ 398,157</u>

Similar conditions relating to the company's going concern assertion still exist as of the period ended March 25, 2024 as were present at the date of the last audited financial statements and as such all guidance provided at that time should still be considered applicable.

TGIF MIDCO, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE FISCAL YEAR-TO-DATE PERIOD ENDED MARCH 25, 2024

(In thousands)

	<u>Q1-2024</u>
REVENUE:	
Company restaurant sales	\$ 71,685
Franchising revenue	11,206
Licensing royalties	4,211
Other revenue	<u>453</u>
Total revenue	<u>87,555</u>
COSTS AND EXPENSES:	
Cost of sales	19,169
Restaurant operating expenses	56,995
General and administrative	10,653
Depreciation and amortization	3,836
Loss on sales of assets and impairments	<u>4,480</u>
Total costs and expenses	<u>95,133</u>
LOSS FROM OPERATIONS	<u>(7,578)</u>
OTHER (EXPENSE) INCOME:	
Interest income	95
Interest expense	<u>(5,189)</u>
Total other expense	<u>(5,094)</u>
LOSS BEFORE TAXES INCLUDING NONCONTROLLING INTEREST	(12,672)
INCOME TAX EXPENSE	<u>536</u>
LOSS FROM CONTINUING OPERATIONS	<u>(13,208)</u>
NET LOSS	(13,208)
NONCONTROLLING INTEREST	<u>1,074</u>
NET LOSS ATTRIBUTABLE TO THE COMPANY	<u><u>\$ (14,282)</u></u>

Similar conditions relating to the company's going concern assertion still exist as of the period ended March 25, 2024 as were present at the date of the last audited financial statements and as such all guidance provided at that time should still be considered applicable.

TGIF MIDCO, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR-TO-DATE PERIOD ENDED MARCH 25, 2024

(In thousands)

	<u>Q1-2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	\$ (13,208)
Non cash items included in net loss:	
Depreciation and amortization	3,836
Non-cash interest expense	261
Non-cash lease expense	8,400
Loss/(Gain) on sale of assets	4,081
Share-based compensation charges	103
Provision for doubtful accounts	(66)
Changes in operating assets and liabilities:	
Receivables	1,295
Inventory	920
Prepaid expenses and other	13,015
Accounts payable	(1,502)
Accrued liabilities	(1,696)
Income taxes	8
Other long-term liabilities	<u>(20,586)</u>
Net cash used in operating activities	<u>(5,139)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of property and equipment	<u>(697)</u>
Net cash used in investing activities	<u>(697)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Payments on long term debt	(3,761)
Borrowings on new debt	5,315
Stock Option Exercised	(52)
Distributions to noncontrolling interest	<u>(1,074)</u>
Net cash provided by financing activities	<u>428</u>
NET DECREASE IN CASH, EQUIVALENTS, AND RESTRICTED CASH	(5,408)
CASH, EQUIVALENTS, AND RESTRICTED CASH—Beginning of period	<u>20,092</u>
CASH, EQUIVALENTS, AND RESTRICTED CASH—End of period	<u><u>\$ 14,685</u></u>

See notes to consolidated financial statements.

Similar conditions relating to the company's going concern assertion still exist as of the period ended March 25, 2024 as were present at the date of the last audited financial statements and as such all guidance provided at that time should still be considered applicable.

TGI Fridays Franchisor, LLC

Financial Statements as of December 25, 2023 and December 26, 2022 and for the fiscal years ended December 25, 2023, December 26, 2022, and December 27, 2021 and Independent Auditor's Report

TGI FRIDAYS FRANCHISOR, LLC

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INDEPENDENT AUDITOR'S REPORT

To the Member of TGI Friday's Franchisor, LLC

Opinion

We have audited the financial statements of TGI Friday's Franchisor, LLC (the "Company"), a direct, wholly-owned subsidiary of TGIF Funding, LLC and an indirect wholly-owned subsidiary of TGI Friday's, Inc. ("TGIF") and TGIF Midco, Inc ("Midco"), which comprise the balance sheets as of December 25, 2023 and December 26, 2022, and the related statements of operations, member's equity and cash flows for each of the three fiscal years in the period ended December 25, 2023, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 25, 2023 and December 26, 2022, and the results of its operations and its cash flows for each of the three fiscal years in the period ended December 25, 2023 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the accompanying financial statements have been prepared from the separate records maintained by the Company and may not be indicative of the conditions that would have existed or the results of operations if the Company had been operated as an unaffiliated entity of Issuer, TGIF or Midco. There have been no allocations made of certain income and expenses from TGI Friday's, Inc. or Issuer that may be applicable to the Company as a whole.

Substantial Doubt About the Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company is subject to working capital decisions made by its Parent at the discretion of the Parent, which is outside of the Company's control. In addition, the Parent has disclosed substantial doubt regarding its ability to continue as a going concern and as such, there is uncertainty regarding the Company's ability to fund operations or satisfy obligations as they come due. The Company has stated that substantial doubt exists about its ability to continue as a going concern. Management's evaluation of the events and conditions regarding these matters are also described in Note 1 of the financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte & Touche LLP

May 10, 2024

TGI FRIDAYS FRANCHISOR, LLC
BALANCE SHEETS
AS OF DECEMBER 25, 2023 AND DECEMBER 26, 2022

(In thousands)

	2023	2022
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 425	\$ 75
Receivables—net	<u>28,393</u>	<u>23,402</u>
Total current assets	<u>28,818</u>	<u>23,477</u>
OTHER ASSETS:		
Intangible assets—net	184,471	190,141
Other assets	<u>42</u>	<u>295</u>
Total other assets	<u>184,513</u>	<u>190,436</u>
TOTAL	<u><u>\$ 213,331</u></u>	<u><u>\$ 213,913</u></u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ -	\$ 427
Accrued liabilities and other	<u>804</u>	<u>805</u>
Total current liabilities	804	1,232
Other long-term liabilities	465	991
Deferred franchise fees	<u>3,561</u>	<u>4,261</u>
Total liabilities	<u>4,830</u>	<u>6,484</u>
MEMBER'S EQUITY:		
Contributed capital	235,873	235,873
Accumulated deficit	<u>(27,372)</u>	<u>(28,444)</u>
Total member's equity	<u>208,501</u>	<u>207,429</u>
TOTAL	<u><u>\$ 213,331</u></u>	<u><u>\$ 213,913</u></u>

See notes to financial statements

TGI FRIDAYS FRANCHISOR, LLC
STATEMENTS OF OPERATIONS
FOR THE FISCAL YEAR ENDED DECEMBER 25, 2023,
DECEMBER 26, 2022, AND DECEMBER 27, 2021

(In thous ands)

	2023	2022	2021
REVENUE:			
Revenues from franchisees	\$ 41,893	\$ 42,197	\$ 37,825
Revenues from TGIF owned stores	17,091	19,394	18,628
Licensing revenue	<u>11,875</u>	<u>13,599</u>	<u>16,144</u>
Total revenue	<u>70,858</u>	<u>75,190</u>	<u>72,597</u>
COSTS AND EXPENSES:			
General and administrative	1,161	1,439	6,979
Amortization	<u>5,670</u>	<u>5,670</u>	<u>5,670</u>
Total costs and expenses	<u>6,831</u>	<u>7,109</u>	<u>12,649</u>
INCOME FROM OPERATIONS	<u>64,027</u>	<u>68,081</u>	<u>59,948</u>
INCOME BEFORE TAXES	64,027	68,081	59,948
INCOME TAX EXPENSE	<u>1,857</u>	<u>1,716</u>	<u>1,103</u>
NET INCOME	<u>\$ 62,170</u>	<u>\$ 66,365</u>	<u>\$ 58,845</u>

See notes to financial statements

TGI FRIDAYS FRANCHISOR, LLC
STATEMENTS OF MEMBER'S EQUITY
FOR THE FISCAL YEARS ENDED DECEMBER 25, 2023,
DECEMBER 26, 2022 AND DECEMBER 27, 2021

(In thousands)

	Contributed Capital	Accumulated Deficit	Total
BALANCE—December 28, 2020	\$ <u>235,378</u>	\$ <u>(21,798)</u>	\$ <u>213,580</u>
Net income	-	58,845	58,845
Equity contributions	495	-	495
Distribution to Issuer	<u>-</u>	<u>(66,206)</u>	<u>(66,206)</u>
BALANCE—December 27, 2021	\$ <u>235,873</u>	\$ <u>(29,159)</u>	\$ <u>206,714</u>
Net income	-	66,365	66,365
Distribution to Issuer	<u>-</u>	<u>(65,650)</u>	<u>(65,650)</u>
BALANCE—December 26, 2022	\$ <u>235,873</u>	\$ <u>(28,444)</u>	\$ <u>207,429</u>
Net income	-	62,170	62,170
Distribution to Issuer	<u>-</u>	<u>(61,098)</u>	<u>(61,098)</u>
BALANCE—December 25, 2023	\$ <u>235,873</u>	\$ <u>(27,372)</u>	\$ <u>208,501</u>

See notes to financial statements.

TGI FRIDAYS FRANCHISOR, LLC
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED DECEMBER 25, 2023,
DECEMBER 26, 2022, AND DECEMBER 27, 2021

(In thousands)

	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$ 62,170	\$ 66,365	\$ 58,845
Noncash items included in net income:			
Amortization	5,670	5,670	5,670
Other assets	-	-	(253)
Allowance for credit losses	(51)	75	94
Changes in operating assets and liabilities			
Accounts receivables	38	(654)	(347)
Receivables from affiliates	(4,978)	(5,929)	(2,505)
Prepaid expenses and other	253	-	
Accounts payable	(427)	(555)	983
Accrued liabilities	(1)	(13)	(27)
Other long-term accrued liabilities	(1,226)	(11)	(476)
Net cash provided by operating activities	<u>61,448</u>	<u>64,948</u>	<u>61,984</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Distributions to Issuer	(61,098)	(65,650)	(66,206)
Equity contributions	<u>-</u>	<u>-</u>	<u>495</u>
Net cash used in financing activities	<u>(61,098)</u>	<u>(65,650)</u>	<u>(65,711)</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	350	(702)	(3,727)
CASH AND EQUIVALENTS—Beginning of period	<u>75</u>	<u>777</u>	<u>4,504</u>
CASH AND EQUIVALENTS—End of period	<u>\$ 425</u>	<u>\$ 75</u>	<u>\$ 777</u>
Supplemental information: cash paid for taxes	\$ 1,905	\$ 1,724	\$ 1,724

See notes to financial statements.

TGI Fridays Franchisor, LLC

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED DECEMBER 25, 2023, DECEMBER 26, 2022, AND DECEMBER 27, 2021

(In thousands)

1. ORGANIZATION, BUSINESS, AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Business—TGI Fridays Franchisor, LLC (“TGIF Franchisor” or the “Company”), is a special purpose Delaware limited liability company and a direct, wholly-owned subsidiary of TGIF Funding, LLC (the “Issuer”), a special purpose Delaware limited liability company and a direct subsidiary of TGIF SPV Guarantor, LLC (the “Funding Holdco” or “Guarantor”) and an indirect wholly-owned subsidiary of TGI Fridays Inc (“TGIF” or the “Parent”) which is a wholly-owned subsidiary of TGIF Midco, Inc. TGIF Franchisor holds certain intellectual property, franchise agreements, a license agreement and development agreements which were contributed from TGIF and Issuer on March 2, 2017. TGIF Franchisor develops and franchises restaurants under the TGI Fridays concept worldwide.

The activities of TGIF Franchisor include:

- Owning U.S. and non-U.S. intellectual property related to the TGI Fridays brand.
- Licensing activities associated with the TGI Fridays brand name or Tradename.
- Activities associated with being the franchisor under franchise agreements and TGIF company-owned restaurant franchise agreements, as well as entering into new franchise agreements.
- Holding the rights and obligations under existing and entering into new development agreements.
- Holding certain rights and obligations under branded products and services license.
- Entering into a management agreement with TGIF to manage assets of TGIF Franchisor.
- Joint guarantor of the payment obligations of Issuer related to the \$375 million of Series 2017-1 Class A-1 Senior Notes and Series 2017-1 Class A-2 Senior Notes (collectively, the “Series 2017-1 Senior Notes”) issued by Issuer; including a pledge of substantially all of its assets to a trustee as security for such guarantee obligations together with the other guarantors who are jointly and severally liable.

The Company does not own or operate any TGIF branded restaurants; however, the Company earns royalty payments from TGIF at the TGIF-owned restaurant royalty rate, which is 4%.

Basis of Presentation-The financial statements have been prepared from the separate records maintained by the Company and may not be indicative of the conditions that would have existed if the Company had been operated as an unaffiliated entity of Issuer, TGIF, or TGIF Midco, Inc.

Going Concern - The accompanying financial statements are prepared in accordance with GAAP applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

The Company currently funds its operations primarily from cash on hand, operating cash flow and royalty and management fee receivables from its Parent. Cash held by the Company is subject to the working capital

decisions made by its Parent at the discretion of the Parent, which is outside of the Company’s control. In addition, the Parent has disclosed substantial doubt regarding its ability to continue as a going concern and as such, there is uncertainty regarding the Company’s ability to fund operations or satisfy obligations as they come due. These conditions and events raise substantial doubt about the Company’s ability to continue as a going concern. The Company plans to continue to obtain funding from the Parent, however, this plan is not considered to be probable given substantial doubt exists regarding the Parent’s ability to continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of this uncertainty.

Fiscal Year—The Company’s fiscal year ends on the last Monday in December. Fiscal years 2023, 2022, and 2021 consisted of 52-week periods. Unless otherwise specified, each reference to a particular year in the notes to the financial statements means the fiscal year or period ended on the date shown in the following table, rather than the corresponding calendar year.

<u>Fiscal Year</u>	<u>Fiscal End Date</u>
2023	December 25, 2023
2022	December 26, 2022
2021	December 27, 2021

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements, the reported amounts of revenue and expense during the reporting period and disclosure of contingent assets and liabilities. Accounts affected by significant estimates include asset impairments, expected useful life of intangible assets, and accounts receivable reserves. Actual results could differ from those estimates.

Cash and Equivalents—Cash and equivalents are highly liquid investments that have an original maturity of three months or less. The fair value of cash equivalents approximates their carrying value because of the short maturity of the instruments.

Concentration of Risk—The Company is subject to credit risk through its accounts receivable consisting primarily of amounts due from franchisees for royalties and franchise fees, along with licensing fees. The financial condition of these franchisees is largely dependent upon the underlying business trends of the TGIF brand and market conditions within the casual dining restaurant industry. This concentration of credit risk is mitigated, in part, by the number of franchisees and the short-term nature of the franchise receivables.

No franchisee represented receivable balances of at least 10% of total receivables, and one licensing customer represented over 10% of accounts receivable—net as follows (in thousands):

Concentration of Credit Risk	<u>2023</u>	<u>2022</u>
Licensing Customer A	\$3,390	\$3,418

Accounts Receivable-Detail of accounts receivable as of December 25, 2023 and December 26, 2022 are as follows (in thousands):

Accounts Receivable	<u>2023</u>	<u>2022</u>
Receivables—net	\$ 10,482	\$10,469
Corporate restaurant royalties-due from parent	<u>17,911</u>	<u>12,933</u>
Total Receivables	<u>\$ 28,393</u>	<u>\$ 23,402</u>

Allowance for Credit Losses —The allowance for credit losses is the Company’s best estimate of the amount of probable credit losses in existing receivables; however, changes in circumstances relating to receivables may result in additional allowances in the future. The Company determines the allowance based on historical experience, current payment patterns, future obligations and the Company’s assessment of the ability to pay outstanding balances. The primary indicator of credit quality is delinquency, which is considered to be a receivable balance greater than 60 days past due. The Company reviews the allowance for credit losses on a monthly basis. Past due balances and future obligations are reviewed individually for collectability. Account balances are charged against the allowance after all collection efforts have been exhausted and the potential for recovery is considered remote.

As of December 25, 2023 and December 26, 2022 receivables are shown net of allowances of \$83 and \$134, respectively.

Intangible Assets—Net—Intangible assets represent the carrying value of intangible assets contributed by TGIF on March 2, 2017. Identifiable intangibles with finite lives are amortized and those with indefinite lives are not amortized. The estimated useful life of an identifiable intangible asset with a finite life is based on a number of factors, including the effects of demand, competition, contractual relationships and other business factors.

The Company tests identifiable intangible assets, not subject to amortization, for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that the asset might be impaired, relying on a number of factors, including operating results, business plans and various valuation techniques (relief from royalty and excess earnings approaches), including discounted value of estimated future cash flows. These are classified as a Level 3 fair value measurement.

Identifiable intangible assets that are subject to amortization are evaluated for impairment whenever events or changes in circumstances indicate that the carrying value of the intangible asset may not be recoverable. Impairment is recognized for the amount by which the carrying value exceeds the fair value of the asset.

No impairment was recorded for the fiscal years ended December 25, 2023, December 26, 2022, and December 27, 2021.

Income Taxes—During the periods presented, the Company was treated as a disregarded entity for U.S. federal and state income tax purposes, and accordingly, the Company was not subject to entity-level tax. Therefore, the Company’s net income flowed through to TGIF Midco, Inc. for federal income tax purposes. The Company does recognize withholding taxes on foreign royalties and taxes. No other provision or liability for U.S. federal or state income taxes has been included in the accompanying financial statements.

Fair Value Measurement—The carrying amounts of cash, accounts payable and accrued liabilities approximate fair value due to the short-term nature of those items. The carrying amounts of accounts receivable approximates fair value as there is an appropriate allowance for credit losses.

2. NEW ACCOUNTING PRONOUNCEMENTS

Recently adopted—In June 2016, the FASB issued new guidance on the measurement of credit losses on financial instruments with updates in 2019 and 2022. The new guidance replaces the incurred loss methodology of recognizing credit losses on financial instruments with a methodology that estimates the expected credit loss on financial instruments and reflects the net amount expected to be collected on the financial instrument. Application of the new guidance could have resulted in the earlier recognition of credit losses as the new methodology will require entities to consider forward-looking information in addition to historical and current information used in assessing incurred losses. The Company was required to adopt the new guidance on a modified retrospective basis beginning with fiscal year 2023. The Company had no material impact from the new guidance on its financial statements and related disclosures.

3. REVENUE

Nature of Goods and Services—The Company generates the majority of revenues from franchised restaurants. The Company also generates revenues from TGIF owned restaurants and licensing agreements. The franchise agreement requires the franchisee to (i) pay an upfront franchise fee, which is deferred and amortized over the term of the franchise agreement as the performance obligation is satisfied, (ii) pay a royalty based on a percentage of sales at the franchised restaurant, which is recognized in the period in which sales are reported to have occurred, and (iii) make contributions to the T.G.I. Friday’s Marketing Advisory Council (“FMAC”) based on a percentage of sales.

Contributions to the FMAC are recognized by TGIF Midco, Inc. Franchise fees are generally due upon execution of the related franchise agreement.

Revenues from TGIF owned stores include royalties based on gross sales generated by the restaurants. Royalties are recognized in the period in which sales are reported to have occurred.

Revenues from licensing are recognized as income based upon sales of retail branded products under various company trade names by a certain third-party customer. Royalties are recognized in the period in which sales are reported to have occurred.

Contract Balances— Significant changes in deferred franchise fees are as follows (in thousands):

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Deferred franchise fees at	\$ 5,066	\$ 5,654	\$ 6,419
Revenue recognized during the	(1,366)	(1,142)	(1,166)
New deferrals due to cash	<u>665</u>	<u>554</u>	<u>401</u>
Deferred franchise fees at the end of the period	<u>\$ 4,365</u>	<u>\$ 5,066</u>	<u>\$ 5,654</u>

The short-term portion of deferred franchise fees of \$804 and \$805 are included in accrued liabilities and other at December 25, 2023 and December 26, 2022, respectively. The long-term portion of \$3,561 and \$4,261 at December 25, 2023 and December 26, 2022, respectively are in other long-term liabilities.

Anticipated Future Recognition of Deferred Franchise Fees --The following table reflects the estimated franchise fees to be recognized in the future related to performance obligations that are unsatisfied at the end of the period:

Estimated for fiscal year:	
2024	\$ 804
2025	621
2026	500
2027	461
2028	412
Thereafter	1,567
	<u>\$ 4,365</u>

4. INTANGIBLE ASSETS—NET

Intangible assets as of December 25, 2023 and December 26, 2022 consist of the following (in thousands):

	Life (Years)	December 25, 2023			December 26, 2022		
		Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Tradename	Indefinite	\$ 181,400	\$ -	\$ 181,400	\$ 181,400	\$ -	\$ 181,400
Franchise agreements	10	56,700	(53,629)	3,071	56,700	(47,959)	8,741
Total intangible assets		<u>\$ 238,100</u>	<u>\$ (53,629)</u>	<u>\$ 184,471</u>	<u>\$ 238,100</u>	<u>\$ (47,959)</u>	<u>\$ 190,141</u>

Amortization expense for the fiscal years ended December 25, 2023, December 26, 2022, and December 27, 2021, was \$5,670 each year, and is included in amortization in the statements of operations. The remaining amortization of \$3,071 is expected to be recognized in fiscal 2024.

5. COMMITMENTS, CONTINGENCIES, GUARANTEES, RELATED- PARTY TRANSACTIONS AND MEMBER'S EQUITY

Management Agreement Commitment

On March 2, 2017, the Company and Issuer entered into a management agreement with TGIF whereby TGIF will manage the assets of the Company, and perform certain services, among other things, franchising, marketing, real estate, intellectual property, reporting, operational and support services on behalf of the Company. In exchange for providing such services, TGIF will be entitled to receive a weekly management fee subject to funds availability. The weekly management fee is determined by dividing: (i) an amount equal to the sum of (A) a base fee of \$9,200 plus (B) a fee of \$21 for each franchised restaurant as of such date and \$21 for each TGIF-owned restaurant as of such date; by (ii) 52 or 53, as applicable. In the years ended December 25, 2023, December 26, 2022, and December 27, 2021, Issuer paid \$21,301, \$20,824, and \$25,515, respectively, in management fees to TGIF.

The term of the management agreement commenced on March 2, 2017 and terminates upon the earlier to occur of (i) the final payment or other liquidation of the last managed assets of the Company, (ii) satisfaction and discharge of the Series 2017-1 Notes issued by Issuer, or (iii) upon the occurrence of certain acts or occurrences as defined by the management agreement.

Litigation Matters

The Company is not currently a party to any legal proceedings.

Guarantees

On March 2, 2017, Issuer issued the Series 2017-1 Senior Notes in an aggregate principal amount of \$375 million.

The Series 2017-1 Notes were issued in a securitization transaction pursuant to which certain of the TGIF's revenue-generating assets, consisting of existing and future franchise agreements, license agreements, existing and future intellectual property, and related revenues, were contributed or otherwise transferred over to the Company.

The Company entered into a Guarantee and Collateral Agreement on March 2, 2017 whereby it will guarantee the payment obligations of Issuer related to the \$375 million of Series 2017-1 Senior Notes issued by Issuer and pledged substantially all of its assets to a trustee as security for such guarantee obligations together with the other guarantors who are jointly and severally liable.

As of July 27, 2020, the trailing-twelve-month system-wide sales of TGIF- and franchisee-owned restaurants fell below the \$1.5 billion threshold required per the indenture to the Series 2017-1 Senior Notes, triggering a rapid amortization event. When the rapid amortization event was triggered, on each quarterly calculation date thereafter, 100% of the amounts remaining on deposit in Issuer's collection account are directed to pay down the 2017-1 Senior Notes principal balance. In fiscal year 2023 Issuer paid down \$12.4 million on the 2017-1 Class A-2 Senior Notes due to the rapid amortization event, and \$7.5 million from the contracted repayment schedule. In fiscal year 2022 Issuer paid down \$16.6 million on the 2017-1 Class A-2 Senior Notes due to the rapid amortization event, and \$7.5 million from the contracted repayment schedule. Issuer also failed other covenants included in the indenture, none of which require repayment of the debt more rapidly than the system-wide sales covenant described above nor make the debt immediately callable.

Member's equity

On March 2, 2017, in connection with the securitization transaction and the commencement of operations of the Company, TGIF contributed to the Company all franchise agreements, development agreements and franchise-related agreements with respect to TGIF's restaurants franchised in the U.S. and all other countries. In addition, TGIF contributed to the Company the intellectual property, consisting of substantially all of the existing and after-acquired U.S. and non-U.S. intellectual property, including software, and certain future licensing fees. As a result of these capital contributions, the Company commenced operations with member's equity of \$227,529. For the years ended December 25, 2023,

December 26, 2022 and December 27, 2021 TGIF made noncash capital transactions of \$0, \$0, and \$0, respectively, and made cash capital contributions to the Company of \$0, \$0 and \$495, respectively.

The Company distributes retained collections to Issuer. Issuer uses the funds to, among other things, service its debt obligations. The Company distributed \$61,098, \$65,650, and \$66,206 in fiscal 2023, 2022, and 2021, respectively.

6. SUBSEQUENT EVENTS

Management of the Company has analyzed subsequent events to May 10, 2024, which is the date the financial statements were available to be issued. TGI Friday's, Inc. closed 36 restaurants in January 2024 which will impact the amount of royalty revenue received from TGI Friday's, Inc.. TGI Friday's, Inc. sold its licensing business with Kraft Heinz, and substantially all the proceeds of \$140 million went toward a principal paydown of the Series 2017-1 Senior Notes. On April 16, 2024, TGIF Midco, LLC announced that it has entered into a planned merger into Hostmore plc, its UK franchisee, and a public company listed on the London Stock Exchange.

There were no subsequent events as of the date the financial statements were issued which required adjustment to the financial statements.

* * * * *

TGIF Midco, Inc. and Subsidiaries

Consolidated Financial Statements as of December 25, 2023 and December 26, 2022 and for the fiscal years ended December 25, 2023, December 26, 2022, and December 27, 2021 and Independent Auditor's Report

TGIF MIDCO, INC. AND SUBSIDIARIES
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INDEPENDENT AUDITOR'S REPORT

To the Stockholders and the Board of Directors of TGIF Midco, Inc.

Opinion

We have audited the consolidated financial statements of TGIF Midco, Inc. and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 25, 2023 and December 26, 2022, and the related consolidated statements of operations, changes in equity, and cash flows for each of the three fiscal years in the period ended December 25, 2023, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 25, 2023 and December 26, 2022, and the results of its operations and its cash flows for each of the three fiscal years in the period ended December 25, 2023 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Substantial Doubt About the Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has experienced losses, negative operating cash flow from operations, and cash restrictions due to the rapid amortization of the 2017 Series A-2 Notes. The Company's forecast indicates there are insufficient resources to meet debt repayments of \$31.2 million due within 12 months from the issuance date of the financial statements. In addition, the Company projects continued non-compliance with certain covenants of its 2017 Series A-2 Notes, resulting in cash restrictions related to rapid amortization and with the Texas Partner's Bank loan which results in \$17.5 million being callable as of the issuance date of the financial statements. The Company has stated that substantial doubt exists about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair

presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte & Touche LLP

May 10, 2024

TGIF MIDCO, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 25, 2023 AND DECEMBER 26, 2022

(In thousands except share information)

ASSETS	2023	2022
CURRENT ASSETS:		
Cash and equivalents	\$ 9,046	\$ 8,907
Restricted cash	11,046	10,971
Receivables—net	16,336	18,870
Inventories	4,389	5,286
Prepaid expenses and other	3,067	3,419
Assets held for sale	-	750
Total current assets	<u>43,884</u>	<u>48,203</u>
PROPERTY, EQUIPMENT, AND IMPROVEMENTS—Net	<u>28,904</u>	<u>35,581</u>
OTHER ASSETS:		
Goodwill	12,403	12,403
Intangible assets—net	203,800	214,711
Notes receivable	126	294
Operating lease assets	140,743	169,150
Other assets	149	171
Total other assets	<u>357,221</u>	<u>396,729</u>
TOTAL	<u><u>\$ 430,009</u></u>	<u><u>\$ 480,513</u></u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 44,418	\$ 25,681
Accrued liabilities	32,264	29,635
Short-term lease liabilities	22,739	25,161
Long-term debt—current	30,871	15,235
Total current liabilities	<u>130,292</u>	<u>95,712</u>
Deferred income taxes	7,392	7,974
Long-term debt	284,850	323,078
Lease liabilities	128,852	141,117
Other long-term liabilities	4,979	6,835
Total liabilities	<u>556,365</u>	<u>574,716</u>
EQUITY:		
Common stock, \$.01 stated value—250,000 shares authorized		
199,270 shares issued and outstanding	23,205	23,603
Accumulated deficit	(152,025)	(118,979)
Total Company equity	<u>(128,820)</u>	<u>(95,376)</u>
Noncontrolling interest	2,464	1,173
Total equity	<u>(126,356)</u>	<u>(94,203)</u>
TOTAL	<u><u>\$ 430,009</u></u>	<u><u>\$ 480,513</u></u>

See notes to consolidated financial statements.

TGIF MIDCO, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENT OF OPERATIONS****FOR THE FISCAL YEARS ENDED DECEMBER 25, 2023, DECEMBER 26, 2022, AND DECEMBER 27, 2021****(In thousands)**

REVENUE:	2023	2022	2021
Company restaurant sales	\$ 426,312	\$ 486,698	\$ 473,483
Franchising revenue	58,147	60,904	53,809
Licensing royalties	16,065	16,069	15,929
Other revenue	1,330	1,208	4,085
Total revenue	<u>501,854</u>	<u>564,879</u>	<u>547,306</u>
COSTS AND EXPENSES:			
Cost of sales	109,453	128,449	117,288
Restaurant operating expenses	321,109	344,265	315,152
General and administrative	42,024	40,566	42,529
Depreciation and amortization	18,714	19,583	18,427
Loss on sales of assets and impairments	16,854	7,331	1,780
Total costs and expenses	<u>508,154</u>	<u>540,194</u>	<u>495,176</u>
(LOSS) INCOME FROM OPERATIONS	<u>(6,300)</u>	<u>24,685</u>	<u>52,130</u>
OTHER (EXPENSE) INCOME:			
Interest income	723	511	205
Interest expense	(21,751)	(22,817)	(24,427)
Gain on PPP loan forgiveness	-	-	19,060
Total other expense	<u>(21,028)</u>	<u>(22,306)</u>	<u>(5,162)</u>
(LOSS) INCOME BEFORE TAXES INCLUDING NONCONTROLLING INTEREST	<u>(27,328)</u>	<u>2,379</u>	<u>46,968</u>
INCOME TAX EXPENSE	<u>(1,649)</u>	<u>(2,957)</u>	<u>(1,966)</u>
NET (LOSS) INCOME	<u>(28,977)</u>	<u>(578)</u>	<u>45,002</u>
NONCONTROLLING INTEREST	<u>4,069</u>	<u>5,231</u>	<u>4,308</u>
NET (LOSS) INCOME ATTRIBUTABLE TO THE COMPANY	<u>\$ (33,046)</u>	<u>\$ (5,809)</u>	<u>\$ 40,694</u>

See notes to consolidated financial statements.

TGI FRIDAY'S INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FISCAL YEARS ENDED DECEMBER 25, 2023, DECEMBER 26, 2022, AND DECEMBER 27, 2021

(In thousands)

	Common Stock	Paid-In Capital	Accumulated Deficit	Noncontrolling Interest	Total
BALANCE—December 28, 2020	<u>\$ 2</u>	<u>\$ 22,783</u>	<u>\$ (154,569)</u>	<u>\$ 1,675</u>	<u>\$ (130,109)</u>
Net (loss) income	-	-	40,694	4,308	45,002
Share based compensation	-	608	-	-	608
Distributions to noncontrolling interest	-	-	-	(4,660)	(4,660)
BALANCE—December 27, 2021	<u>\$ 2</u>	<u>\$ 23,391</u>	<u>\$ (113,875)</u>	<u>\$ 1,323</u>	<u>\$ (89,159)</u>
Net (loss) income	-	-	(5,809)	5,231	(578)
Cumulative effect of change in accounting principle	-	-	705	-	705
Share based compensation	-	210	-	-	210
Distributions to noncontrolling interest	-	-	-	(5,381)	(5,381)
BALANCE—December 26, 2022	<u>\$ 2</u>	<u>\$ 23,601</u>	<u>\$ (118,979)</u>	<u>\$ 1,173</u>	<u>\$ (94,203)</u>
Net (loss) income	-	-	(33,046)	4,069	(28,977)
Share based compensation	-	(607)	-	-	(607)
Stock option exercised	-	209	-	-	209
Distributions to noncontrolling interest	-	-	-	(2,778)	(2,778)
BALANCE—December 25, 2023	<u>\$ 2</u>	<u>\$ 23,203</u>	<u>\$ (152,025)</u>	<u>\$ 2,464</u>	<u>\$ (126,356)</u>

See notes to consolidated financial statements.

TGIF MIDCO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED DECEMBER 25, 2023, DECEMBER 26, 2022, AND DECEMBER 27, 2021
(In thousands)

	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss) income	\$ (28,977)	\$ (578)	\$ 45,002
Noncash items included in net income (loss):			
Depreciation and amortization	18,714	19,583	18,427
Non-cash interest expense	1,090	1,504	1,105
Non-cash lease expense	36,547	27,583	-
Amortization of leasehold intangibles	-	-	3,197
Asset impairment charges and other write downs	16,795	6,937	1,913
Deferred income taxes	(582)	849	504
Loss/(Gain) on sale of assets	(154)	500	(133)
Share-based compensation charges	(607)	210	608
Gain on Paycheck Protection Plan (PPP) loan forgiveness	-	-	(19,060)
Allowance for credit losses	(8,851)	3,492	(4,113)
Changes in operating assets and liabilities:			
Receivables	11,551	1,635	1,209
Inventory	567	(640)	(664)
Prepaid expenses and other	2,149	(433)	2,169
Accounts payable	18,769	4,934	(5,439)
Income taxes	(36)	(29)	309
Assets/Liabilities for Sale	-	788	-
Lease liabilities and other accrued liabilities	(32,038)	(31,493)	(922)
Net cash provided by operating activities	<u>34,937</u>	<u>34,842</u>	<u>44,112</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of assets	2,411	303	730
Purchases of property and equipment	(10,916)	(10,319)	(8,998)
Acquisition of franchise restaurants	-	(3,207)	-
Net cash used in investing activities	<u>(8,505)</u>	<u>(13,223)</u>	<u>(8,268)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Deferred financing fees on series 2017-1 note for securitization	-	-	406
Borrowings on Payroll Protection Plan (PPP) Loan	-	-	4,000
Borrowing from new bank loan	2,500	25,000	-
Payments on long term debt	(26,149)	(30,109)	(13,412)
Payments on revolver	-	(24,910)	(16,000)
Stock option exercised	209	-	-
Distributions to noncontrolling interest	(2,778)	(5,231)	(4,660)
Net cash used in financing activities	<u>(26,218)</u>	<u>(35,250)</u>	<u>(29,666)</u>
NET INCREASE (DECREASE) IN CASH, EQUIVALENTS, AND RESTRICTED CASH	214	(13,631)	6,178
CASH, EQUIVALENTS, AND RESTRICTED CASH—Beginning of period	<u>19,878</u>	<u>33,509</u>	<u>27,331</u>
CASH, EQUIVALENTS, AND RESTRICTED CASH—End of period	<u>\$ 20,092</u>	<u>\$ 19,878</u>	<u>\$ 33,509</u>

See notes to consolidated financial statements.

TGIF MIDCO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS-CONTINUED
FOR THE FISCAL YEARS ENDED DECEMBER 25, 2023, DECEMBER 26, 2022, AND DECEMBER 27, 2021
(In thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Reconciliation of cash, cash equivalents, and restricted cash at the end of the period			
Cash and cash equivalents	\$ 9,046	\$ 8,907	\$ 25,836
Restricted cash	<u>11,046</u>	<u>10,971</u>	<u>7,673</u>
Total	<u>\$ 20,092</u>	<u>\$ 19,878</u>	<u>\$ 33,509</u>
Supplemental disclosure information:			
Cash paid for interest	\$ 21,263	\$ 20,195	\$ 23,028
Cash paid for income taxes	\$ 364	\$ 20	\$ 170
Cash received from income tax refunds	\$ 7	\$ 434	\$ (154)
Non-cash investing and financing activities:			
Note payable as part of acquisition	\$ -	\$ 4,150	\$ -
Settlement of accounts receivable of franchises	\$ -	\$ -	\$ 1,366
Sale of restaurants	\$ 1,825	\$ -	\$ -
Unpaid purchases of property, equipment, and capitalized software included in accounts payable	\$ 507	\$ 72	\$ 403
Supplemental cash flow information related to leases was as follows:			
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	\$ 32,837	\$ 31,750	
Leased assets obtained in exchange for new operating lease liabilities	\$ 17,611	\$ 34,917	
See notes to consolidated financial statements.			

TGIF MIDCO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED DECEMBER 25, 2023, DECEMBER 26, 2022 AND DECEMBER 27, 2021

1. ORGANIZATION, BUSINESS, AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Business— TGIF Midco, Inc., a Delaware corporation, is the parent company of its 100% owned subsidiary company, TGIF Parent, Inc. (“Parent”). Parent is the parent company of its 100% owned subsidiary, TGI Friday’s Inc. (“TGIF”), a New York corporation, which through its subsidiaries develops, operates, and franchises restaurants under the TGI Fridays concept worldwide. TGIF owned 140 and 158 restaurants and franchised 501 and 536 restaurants at December 25, 2023 and December 26, 2022, respectively. TGIF Midco, Inc. together with its consolidated subsidiaries is referred to collectively as the “Company.”

In 2014, affiliates of Sentinel Capital Partners (“Sentinel”) acquired 100 percent of the outstanding common shares (the “Acquisition”) of TGIF from Carlson Restaurants, Inc. (“Carlson”), forming Parent, a newly incorporated entity pursuant to the Agreement and Plan of Merger (the “Merger Agreement”), by and among TGIF Merger Sub, Inc. (“Merger Sub”), a wholly owned subsidiary of Parent, the Company, and Carlson. Pursuant to the terms of the Merger Agreement, Merger Sub merged with and into the Company, with the Company continuing as the surviving corporation and becoming a wholly-owned subsidiary of the Parent.

TGIF Midco, Inc. was newly incorporated as part of the Acquisition, and is wholly owned by TGIF Holdings, LLC (“Holdings”). The investors in Holdings included Sentinel, affiliates of TriArtisan Capital Advisors LLC (“TriArtisan”), management and other investors.

On October 16, 2019, the Company entered into a Unit Purchase Agreement pursuant to which certain of the existing owners sold their 127,200 Class A Units in Holdings to TriArtisan and MFP Partners, L.P. (“MFP”). Following the change of control transaction, TriArtisan, MFP and their affiliates own approximately 95% of the equity of Holdings, with TriArtisan having controlling ownership. TriArtisan elected not to apply pushdown accounting for this acquisition.

Basis of Presentation— The accompanying consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”) and include the accounts of TGIF Midco, Inc. and all majority-owned subsidiaries where TGIF Midco, Inc. exhibits control. All intercompany accounts and transactions have been eliminated in consolidation.

Going Concern - The accompanying consolidated financial statements are prepared in accordance with GAAP applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

The Company currently funds its operations primarily from cash on hand and operating cash flow. The Company has historically incurred losses, had negative cash flows from operations and experienced cash restrictions due to the rapid amortization of the 2017 Series A-2 Notes. The Company’s forecast indicates there are insufficient resources to meet debt repayments of \$31.2 million due within 12 months from the issuance date of the financial statements. In addition, the Company projects continued non-compliance with certain debt covenants associated with the Company’s 2017 Series A-2 Notes which results in cash restrictions related to rapid amortization and with the Texas Partner’s Bank loan which results in \$17.5 million of debt related to this agreement being callable as of the issuance date of the financial statements. The Company has determined that these circumstances represent conditions regarding the Company’s ability to continue as a going concern before consideration of management’s plans.

In response to these conditions, the Company plans to obtain additional financing and implement the following to reduce the demands on future Company resources: i) finalize the refinancing negotiations that are currently ongoing for the 2017 Series A-2 Notes; and ii) utilize the incremental liquidity generated from the refinancing transaction to repay the Texas Partner’s Bank loan prior to its due date in August 2024. The completion of these transactions will provide the Company with additional flexibility from a liquidity perspective to continue financing operations going forward as the restriction of cash balances driven by the rapid amortization of the 2017 Series A-2 Notes will be alleviated. The Company’s ability to

continue as a going concern is contingent upon the execution of these actions. Management believes that they will be successful in completing these transactions, however they are not within the control of management and therefore substantial doubt regarding the Company’s ability to continue as a going concern is not alleviated by management’s plans.

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of this uncertainty.

Fiscal Year—The Company’s fiscal year ends on the last Monday in December. Fiscal years 2023, 2022, and 2021 consisted of 52-week periods. Unless otherwise specified, each reference to a particular year in the notes to the consolidated financial statements means the fiscal year ended on the date shown in the following table, rather than the corresponding calendar year.

<u>Fiscal Year</u>	<u>Fiscal End Date</u>
2023	December 25, 2023
2022	December 26, 2022
2021	December 27, 2021

Use of Estimates—The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements, the reported amounts of revenue and expense during the reporting period and disclosure of contingent assets and liabilities. Accounts affected by significant estimates include asset impairments, gift cards accrual, expected useful life of long-lived tangible and intangible assets, insurance reserves, accounts receivable reserves, acquired assets and liabilities from acquisitions and loyalty awards accrual. Actual results could differ from those estimates.

Cash and Cash Equivalents—Cash and Cash equivalents, including in-transit deposit amounts from credit card companies, are highly liquid investments that have an original maturity of three months or less. The fair value of cash equivalents approximates their carrying value because of the short maturity of the instruments. Cash held related to the T.G.I. Friday’s Marketing Advisory Council (“FMAC”) advertising funds and the Company’s gift card programs is not considered to be restricted cash as there are no restrictions on the use of these funds.

Restricted Cash—In accordance with the Indenture (as defined below), certain cash accounts have been established with the trustee for the benefit of the trustee and the noteholders, and are restricted in their use. Such restricted cash primarily represents cash collections and cash reserves held by the trustee to be used for payments of principal and interest required for the Company’s Series 2017-1 Senior Notes (as defined below).

Concentration of Risk—The Company is subject to credit risk through its accounts receivable consisting primarily of amounts due from franchisees for royalties and franchise fees, along with licensing fees. The financial condition of these franchisees is largely dependent upon the underlying business trends of the TGIF brand and market conditions within the casual dining restaurant industry. This concentration of credit risk is mitigated, in part, by the number of franchisees and the short-term nature of the franchise receivables.

No franchisee represented receivable balances of at least 10% of total receivables, one licensing customer represented over 10% of accounts receivable—net as follows (in thousands):

Concentration of Credit Risk	<u>2023</u>	<u>2022</u>
Licensing Customer A	\$3,390	\$3,418

Allowance for Credit Losses—The allowance for credit losses is the Company’s best estimate of the amount of probable credit losses in existing receivables; however, changes in circumstances relating to receivables may result in additional allowances in the future. The Company determines the allowance based on historical experience, current payment patterns, future obligations and the Company’s assessment of the ability to pay outstanding balances. The primary indicator of credit quality is delinquency, which is considered to be a receivable balance greater than 60 days

past due. The Company reviews the allowance for credit losses on a monthly basis. Past due balances and future obligations are reviewed individually for collectability. Account balances are charged against the allowance after all collection efforts have been exhausted and the potential for recovery is considered remote.

The Company resolved a note receivable and trade receivable outstanding from the same franchisee, which had been largely reserved. The effect was recoveries of allowance for credit losses of \$1.8M and \$6.0M on the accounts receivable and notes receivable balances, respectively. The Company recorded additional write-offs of \$1.3 million to accounts receivable, which were offset by additional credit loss allowances recorded in the current year.

The following table summarizes the activity in the allowance for credit losses (in thousands):

<u>Allowance for Credit Losses</u>	<u>Accounts Receivable</u>	<u>Notes Receivable</u>
Balance as of December 27, 2021	\$ 2,242	\$ 3,409
Provisions	1,553	2,770
Recoveries	-	-
Write-offs	(831)	-
Balance as of December 26, 2022	\$ 2,964	\$ 6,179
Provisions	157	-
Recoveries	(1,776)	(5,971)
Write-offs	(1,260)	-
Balance as of December 25, 2023	\$ 85	\$ 208

Inventories— Inventories consist primarily of food and beverages and are stated at the lower of cost using the first-in, first-out method or net realizable value.

Assets Held For Sale— In 2022 there was a liquor license in the process of being sold, which was then recorded at its estimated fair value prior to being sold in 2023.

Property, Equipment, and Improvements-Net— Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets or remaining useful lives. Leasehold improvements are amortized on a straight-line basis over their estimated useful lives or the lease term, if less. The Company has capitalized certain costs incurred in connection with the development of internal-use software and are amortized over the expected useful life of the asset. The general ranges of depreciable and amortizable lives are as follows:

<u>Category</u>	<u>Depreciable Life</u>
Building and leasehold improvements	15 - 35 years
Furniture and equipment	2 - 12 years
Capitalized software	3 years

Impairment of Long-Lived Assets—Property, equipment and other long-lived assets are reviewed periodically for possible impairment. The Company evaluates whether current facts or circumstances indicate that the carrying value of the assets to be held and used may not be recoverable. If such circumstances are determined to exist, an estimate of undiscounted future cash flows produced by the long-lived asset, or the appropriate grouping of assets, is compared to the carrying value to determine whether impairment exists. If an asset is determined to be impaired, the loss is measured based on quoted market prices in active markets, if available. If quoted market prices are not available, the estimate of fair value is based on various valuation techniques, including discounted value of estimated future cash flows. The Company reports an asset to be disposed of at the lower of carrying value or its estimated fair value.

The Company recognized pretax impairment losses related to property, equipment, and right-of-use assets of company owned restaurants of \$14.0 million, \$6.9 million, and \$1.9 million for the fiscal years ended December 25, 2023, December 26, 2022, and December 27, 2021, respectively. The Company recognized pretax impairment loss of \$2.8

million \$0, and \$130 thousand of liquor licenses in the fiscal years ended December 25, 2023, December 26, 2022, and December 27, 2021.

All impairment losses are included in loss on sale of assets and impairments in the consolidated statements of operations.

Business Combinations—The Company allocates the purchase price of an acquisition to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values at the acquisition date. The Company recognizes in goodwill the amount by which the purchase price of an acquired entity exceeds the net of the amounts assigned to the assets acquired and liabilities assumed. Fair value measurements are applied based on assumptions that market participants would use in the pricing of the asset or liability. The Company initially performs these valuations based upon preliminary estimates and assumptions by management or independent valuation specialists under its supervision, where appropriate, and make revisions as estimates and assumptions are finalized. The Company records the net assets and results of operations of an acquired entity in its consolidated financial statements from the acquisition date. The Company expenses acquisition-related costs as incurred.

Goodwill and Other Intangible Assets— The excess of the purchase price over fair value of net identifiable assets and liabilities of an acquired business (“goodwill”), trademarks, trade names and other indefinite-lived intangible assets are not amortized, but rather tested for impairment, at least annually. The Company assesses the recoverability of the carrying amount of its goodwill and other indefinite-lived intangible assets either qualitatively or quantitatively annually at the beginning of the fourth quarter of each fiscal year, or whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable.

When assessing the recoverability of goodwill and other indefinite-lived intangible assets, the Company may first assess qualitative factors. Such qualitative factors include, but are not limited to, macro-economic conditions, market and industry conditions, cost considerations, the competitive environment, overall financial performance and results of past impairment tests. If an initial qualitative assessment indicates that it is more likely than not the carrying amount exceeds fair value, a quantitative analysis may be required. The Company may also elect to skip the qualitative assessment and proceed directly to the quantitative analysis.

Recoverability of the carrying value of goodwill is measured at the reporting unit level. A reporting unit is an operating segment, or a business unit one level below that operating segment, for which discrete financial information is prepared and regularly reviewed by management. Goodwill is recorded at the Company-owned restaurant operations reporting unit.

In performing a quantitative analysis, the Company measures the recoverability of goodwill using: (i) a discounted cash flow model incorporating discount rates commensurate with the risks involved, which is classified as a Level 3 fair value measurement, and (ii) a market approach based upon public trading and recent transaction valuation multiples for similar companies. The key assumptions used in the discounted cash flow valuation model include discount rates, growth rates, tax rates, cash flow projections and terminal value rates. Discount rates, growth rates and cash flow projections are the most sensitive and susceptible to change as they require significant management judgment and are material to the financial statements.

If the calculated fair value is less than the current carrying amount, impairment of the reporting unit may exist. The Company performs its annual goodwill impairment test by comparing the fair value of the reporting unit with its carrying value. If the carrying amount exceeds the fair value of the reporting unit, the Company would record an impairment charge by the amount the carrying value exceeds the fair value, not to exceed the amount of goodwill allocated to the company-owned restaurant operations reporting unit.

In performing a quantitative analysis, recoverability is measured by a comparison of the carrying amount of the indefinite-lived intangible asset over its fair value. Any excess of the carrying amount of the indefinite-lived intangible asset over its fair value is recognized as an impairment loss.

The Company tests indefinite-lived intangible assets utilizing the relief from royalty method to determine the estimated fair value for each indefinite-lived intangible asset, which is classified as a Level 3 fair value measurement. The relief from royalty method estimates the Company’s theoretical royalty savings from ownership of the intangible asset. Key

assumptions used in this model include discount rates, royalty rates, growth rates, tax rates, sales projections and terminal value rates. Discount rates, royalty rates, growth rates and sales projections are the assumptions most sensitive and susceptible to change as they require significant management judgment. Discount rates used are similar to the rates estimated by the weighted average cost of capital considering any differences in company-specific risk factors.

Intangible assets with finite lives are amortized over their estimated useful lives and are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Estimated useful lives are 10 years for franchise agreements. An impairment loss would be indicated when estimated undiscounted future cash flows from the use of the asset are less than its carrying amount. An impairment loss would be measured as the difference between the fair value based on discounted future cash flows and the carrying amount of the asset.

Loyalty Program—Fridays RewardsSM is the Company's customer loyalty program. Participating members earn points based on spending at the domestic Company-owned and franchised properties. Members accumulate points and redeem them from a defined set of menu items. A reward certificate is issued when a program member requests a reward, and once issued, the reward certificate expires in 12 hours. The Company determines the fair value of the future redemption obligation based on statistical formulas that project the timing of future point redemptions based on historical levels, including an estimate of the breakage for points that will never be redeemed. The balance as of December 25, 2023 and December 26, 2022 is \$2.4 million and \$2.3 million, respectively, and is included in accrued liabilities in the consolidated financial statements.

Revenue Recognition—The Company's revenues are recorded in four categories: company restaurant sales, franchising revenues, licensing royalties and other revenue. Under Accounting Standards Codification ("ASC") 606, revenue is recognized upon transfer of control of promised services or goods to customers in an amount that reflects the consideration the Company expects to receive for those services or goods.

- Company restaurant sales are recognized when food and beverage items are sold. Company restaurant sales are reported net of sales taxes and gratuities collected from guests.
- Revenue from franchising operations include royalties, marketing funds, initial franchise fees and nonrefundable concept fees. Royalties and marketing funds are recognized in the period in which sales are reported to have occurred. Initial franchise fees and concept fees are recognized over the life of the franchise agreement starting upon the opening of a restaurant, which is when the Company has performed substantially all initial services required by the franchise agreement.
- Licensing royalties are recognized as income based upon sales of retail branded products under various company trade names by third-party vendors.
- Other revenue consists primarily of purchasing fee income. Purchasing fee income represents charges to franchisees and third parties under the terms of agreements whereby the Company provides procurement services for certain food, beverage and other items. Purchasing fee income is recognized as the procurement services are performed.

The Company sells gift cards in Company and franchise owned restaurants, through the Company's website and at select retailers. The Company does not charge administrative fees on unused gift cards and the gift cards have no expiration date. The franchisee maintains the liability for gift cards sold at the franchise restaurants and the Company maintains the liability for gift cards sold in Company owned restaurants, through the Company's website and select retailers. The Company recognizes revenue from gift cards when (i) the gift card is redeemed by the customer or (ii) for gift cards not expected to be redeemed, breakage is recognized in proportion to the Company's historical pattern of redemption. The Company determines gift card breakage based upon historical redemption patterns.

The Company operates a gift card system, with cards sold at restaurants and third parties. Cards have no expiration date, and the company routinely calculates breakage. The gift card liability was \$6.6 million at December 25, 2023 and \$6.4 million at December 26, 2022 and is included in accrued liabilities.

Marketing Fund—National marketing efforts related to the Company's domestic restaurants are administered through FMAC. All domestic TGI Fridays restaurants, including franchised locations, are required to contribute to FMAC in

accordance with policies established by the Company or stipulated in franchise agreements. The intent of FMAC is to operate at break-even over time. The Company is ultimately liable for the FMAC obligations. Contributions received from franchisees are based on a percentage of sales of the franchised restaurants and is recognized as franchising revenue is earned. Contributions to FMAC from the Company's franchisees were \$14.0 million, \$15.8 million, and \$14.4 million for the fiscal years ended December 25, 2023, December 26, 2022, and December 27, 2021, respectively. Advertising expense is included in restaurant operating expenses and is typically expensed either as incurred or the first time the advertising takes place. Advertising expense was \$33.1 million, \$33.9 million, and \$29.7 million for the fiscal years ended December 25, 2023, December 26, 2022, and December 27 2021, respectively.

Leases— The Company accounts for its leasing activities in accordance with accounting guidance for leases, as codified in Accounting Standards Topic 842 (“ASC 842”), adopted as of the beginning of its 2022 fiscal year. In adopting ASC 842, the Company utilized expedients that allowed it to retain the classification, as either an operating lease or a finance lease, that was previously determined under prior accounting guidance for leases. The Company reassesses this classification upon renewal, extension or the modification of an existing lease agreement. The Company determines the appropriate classification upon entering into a new contract determined to contain a lease.

Operating lease assets and liabilities are recognized at the lease commencement date, or were recognized upon adoption of ASC 842. Operating lease liabilities represent the present value of lease payments not yet paid. Operating lease assets represent the Company's right to use an underlying asset and are based upon the operating lease liabilities adjusted for accrued lease payments, initial direct costs, and lease incentives. The lease assets are amortized on a straight-line basis over the lease term and recognized as lease expense. As lease payments are made, the lease liability is recalculated to reflect the present value of remaining payments.

The Company's lease agreements generally do not provide information to determine the implicit interest rate in the agreements. This requires the Company to make significant judgments in determining the incremental borrowing rate to be used in calculating operating lease liabilities as of the adoption or commencement date. The Company estimates the incremental borrowing rate primarily by reference to (i) yield rates on debt issuances by companies of a similar credit rating as the Company and (ii) adjustments for differences between these rates and the lease term.

The lease term commences on the date the Company has the right to control the use of the leased property. Certain leases may contain provisions for rent holidays and fixed-step escalations in payments over the base lease term, as well as renewal periods. If the renewal term is reasonably certain to be exercised that period is added to the lease term.

Prior to adoption of ASC 842, the Company recognized rent expense on a straight-line basis over the lease term. Differences between the amount paid and amounts expensed were recorded as deferred rent. The lease term is calculated from the date the Company is given control of the leased premises through the first renewal term, which may include a rent holiday period prior to the Company opening the restaurant on the leased premises.

Certain lease agreements require rental payments equal to the greater of the minimum rental amount or a percentage of gross restaurant revenues. Rental payments in excess of the minimum amount were \$5.3 million, \$4.6 million, and \$6.4 million for the fiscal years ended December 25, 2023, December 26, 2022, and December 27, 2021, respectively.

The Company has assumed certain existing leases through acquisitions and determines the fair values of the favorable/(unfavorable) leasehold interests in the leased real property in accordance with acquisition accounting. The leases were reviewed in order to identify those which have contractual lease rates that are above or below market. Once identified, the associated above or below market lease was valued utilizing a discounted cash flow analysis based on the difference between contractual rental rates under the current lease and the estimated market rental rates discounted to the date the leases were acquired utilizing a risk-related discount rate. A positive leasehold position exists when the present value of the contract rent is less than the present value of the market rent. A negative leasehold position exists when the present value of the contract rent is greater than the present value of the market rent. The Company recorded these fair values of the above or below market leases as part of the overall purchase accounting for the acquisitions. Prior to the adoption of ASC 842 below market leases are included in intangible assets – net and above market leases are included in other long-term liabilities in the consolidated financial statements. As part of adoption of ASC 842 most below market lease balances and all above market lease balances were integrated into the newly created operating lease assets.

Insurance Reserves—The Company insures its property, casualty, liability and workers’ compensation exposures through independent third-party insurers. Starting in July 2020, workers’ compensation, general liability, and liquor liability were fully insured, and employee medical programs remained partially self-insured. Accrued liabilities for insurance reserves have been recorded based on the present value of actuarial estimates of the amounts of incurred and unpaid losses. In determining the estimated liability, management, with the assistance of an actuary, developed assumptions based on the average historical losses of claims incurred, actuarial observations of historical claim loss development and the actuary’s estimate of unpaid losses for each loss category. Reserve amounts are \$0.5 million and \$0.7 million as of December 25, 2023 and December 26, 2022, respectively, and are included in other long-term liabilities in the consolidated balance sheet.

Share-Based Compensation—The Company accounts for share-based compensation, which requires all share-based payments, including grants of employee stock options, to be recognized in the financial statements based on their fair values. The Company is required to measure the cost of employee services received in exchange for stock options and similar awards based on the grant-date fair value of the award and recognize this cost in the consolidated statements of operations over the vesting period of the award.

Income Taxes— The Company provides for income taxes based on its estimate of federal and state income tax liabilities. The Company makes certain estimates and judgments in the calculation of tax expense and the resulting tax liabilities and in the recoverability of deferred tax assets that arise from temporary differences between the tax and financial statement recognition of revenue and expense. Tax laws are complex and subject to different interpretations by the taxpayers and respective governmental authorities.

The Company recognizes deferred tax assets and liabilities using the enacted tax rates for the effect of temporary differences between the financial reporting basis and the tax basis of recorded assets and liabilities. Deferred tax accounting requires that deferred tax assets be reduced by a valuation allowance if it is more likely than not that some portions or all of the net deferred tax assets will not be realized. This test requires projection of the Company’s taxable income into future years to determine if there will be taxable income sufficient to realize the tax assets. The preparation of the projections requires considerable judgment and is subject to change to reflect future events and changes in the tax laws. When the Company establishes or reduces the valuation allowance against its deferred tax assets, its income tax expense will increase or decrease, respectively, in the period such determination is made.

Fair Value Measurement—The Company determines the fair market values of its financial assets and liabilities, as well as nonfinancial assets and liabilities that are recognized or disclosed at fair value on a recurring basis, based on the fair value hierarchy established in U.S. GAAP. The Company measures its financial assets and liabilities using inputs from the following three levels of the fair value hierarchy.

The three levels are as follows:

- Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2 inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (i.e., interest rates, yield curves, etc.) and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).
- Level 3 includes unobservable inputs that reflect the Company’s assumptions about the assumptions that market participants would use in pricing the asset or liability. The Company develops these inputs based on the best information available.

2. NEW ACCOUNTING PRONOUNCEMENTS

Recently adopted—in February 2016, the Financial Accounting Standards Board (“FASB”) issued guidance with respect to the accounting for leases, as codified in Accounting Standards Topic 842 (“ASC 842”), with further guidance into 2023. The guidance is intended to improve financial reporting of leasing transactions by requiring entities that lease assets to recognize assets and liabilities for the rights and obligations created by leases, as well as by requiring additional

disclosures related to an entity's leasing activities. The Company adopted this change in accounting principle as of the first day of the first fiscal quarter of 2022 using the modified retrospective method. Accordingly, financial information for periods prior to the date of initial application has not been adjusted. The Company has elected the package of practical expedients for adoption that permitted the Company not to reassess its prior conclusions regarding lease identification, lease classification and initial direct costs. The Company also elected a short-term lease exception policy and did not select the option to group non-lease components with lease components. The Company also elected to use an allowable expedient that permitted the use of hindsight in performing evaluations of its leases. With the chosen practical expedients, the Company did not have to reclass other contracts as leases. The Company reviewed new contracts to confirm whether they contained a lease, and will do so going forward.

Upon adoption of ASC 842, the Company recognized operating lease obligations of \$165.9 million, which represented the present value of the remaining minimum lease payments, discounted using the Company's incremental borrowing rate. The Company recognized operating lease right-of-use assets of \$155.8 million. The difference of \$10.2 million between the recognized operating lease obligation and the right-of-use assets related to the derecognition of certain assets and liabilities recorded in accordance with U.S. GAAP that had been applied prior to the adoption of ASC 842, primarily intangibles related to below market leases. Lease-related reserves for lease incentives, straight-line rents, above market lease liabilities, and lease incentive costs were also derecognized. The Company also recognized an adjustment to retained earnings upon adoption of \$705 thousand related to adjustment of lease terms on straight line rents.

Adoption of ASC 842 had no significant impact on the Company's cash flows from operations or its results of operations and did not impact any covenant related to the Company's long-term debt. See Note 10 for the required disclosures related to the Company's leasing activities.

In June 2016, the FASB issued new guidance on the measurement of credit losses on financial instruments with updates in 2019 and 2022. The new guidance replaces the incurred loss methodology of recognizing credit losses on financial instruments with a methodology that estimates the expected credit loss on financial instruments and reflects the net amount expected to be collected on the financial instrument. Application of the new guidance could have resulted in the earlier recognition of credit losses as the new methodology will require entities to consider forward-looking information in addition to historical and current information used in assessing incurred losses. The Company was required to adopt the new guidance on a modified retrospective basis beginning with fiscal year 2023. The Company had no material impact from the new guidance on its consolidated financial statements and related disclosures.

In August 2018, the FASB issued new guidance on accounting for implementation costs of a cloud computing arrangement that is a service contract. The new guidance aligns the accounting for such implementation costs of a cloud computing arrangement that is a service contract with the guidance on capitalizing costs associated with developing or obtaining internal-use software. This guidance was effective with the Company's 2021 fiscal year. The new guidance has not had a material impact on the consolidated financial statements.

In December 2019, the FASB issued new guidance which simplifies the accounting for income taxes by removing certain exceptions and by clarifying and amending existing guidance applicable to accounting for income taxes. The amendment was effective in 2021 and did not have a material impact on the consolidated financial statements.

3. REVENUE

Nature of Goods and Services--The Company generates the majority of revenues from sales at Company-owned restaurants. Company-owned restaurant sales are recognized upon delivery of food to the customer or delivery service at Company-owned restaurants. The Company also generates revenues from franchised restaurants and other sources. Revenues from franchised restaurants are recognized upon the fulfillment of terms outlined in the franchise agreement for franchised restaurants. See Note 1 for additional description of the Company's revenue policy.

The franchise agreement requires the franchisee to (i) pay an upfront franchise fee, which is deferred and amortized over the term of the franchise agreement which is the period in which the performance obligation is satisfied, (ii) pay a royalty based on a percentage of sales at the franchised restaurant and (iii) make contributions to the FMAC based on a percentage of sales.

Royalties and contributions to the FMAC are generally due within the month subsequent to which the revenue was generated through sales at the franchised restaurant. Franchise fees are generally due upon execution of the related franchise agreement.

Contract Balances—The following tables provide a summary of significant changes related to contract liabilities (deferred franchise fees) from contracts with customers.

Significant changes in deferred franchise fees are as follows (in thousands):

Balance as of December 28, 2020	\$ 6,700
Revenue recognized during the period	(1,187)
New deferrals due to cash received	401
Balance as of December 27, 2021	<u>\$ 5,914</u>
Revenue recognized during the period	(1,162)
New deferrals due to cash received	555
Balance as of December 26, 2022	<u>\$ 5,307</u>
Revenue recognized during the period	(1,386)
New deferrals due to cash received	665
Balance as of December 25, 2023	<u>\$ 4,586</u>

The short-term portion of contract liabilities resides in accrued liabilities on the consolidated balance sheet, with balances of \$0.8 million and \$0.8 million as of December 25, 2023 and December 26, 2022, respectively. The long-term portion of contract liabilities resides in other long-term liabilities on the balance sheet, with balances of \$3.8 million and \$4.5 million at December 25, 2023 and December 26, 2022, respectively.

Anticipated Future Recognition of Contract Liabilities—The following table reflects the estimated franchise fees to be recognized in the future related to performance obligations that are unsatisfied at the end of the period (in thousands):

Estimated for fiscal year:	
2024	\$ 824
2025	641
2026	520
2027	480
2028	432
Thereafter	<u>1,689</u>
Total	<u>\$ 4,586</u>

4. ACQUISITIONS, DIVESTITURES, AND MAJOR SALES

Sugarloaf Acquisitions, LLC—The Company sold 8 restaurants in the Boston area to its former CEO, Ray Blanchette, in November 2023. The purchase price was \$1.8 million, and was funded by an offset to severance due to Mr. Blanchette.

Southeast Restaurant Group Acquisitions - The Company entered into two Asset Purchase Agreements, both dated as of March 9, 2022, with Southeast Restaurant Group, L.L.C. for the purchase of five restaurants total. The Company took over operation of the restaurants on that date. The Company acquired the restaurants for the price of \$4.2 million, plus the cost of inventory and store change funds on the acquisition date. \$4.15 million of the price was paid by creation of promissory notes between the parties. Substantially all of the purchase price was allocated to property, plant, and equipment.

Friday Ventures, L.P. Acquisition - The Company entered into an Asset Purchase Agreement, dated as of May 19, 2022, with Friday Ventures, L.P. for the purchase of intellectual property rights to the New York, NY area and a lease with 211 W 34 Operating to allow for the operation of the single restaurant in the trade area. Total purchase price was \$3.0 million. \$2.5 million of the purchase price was allocated to the intellectual property rights, \$93 thousand for certain fixed assets, inventory and store change funds, and \$450 thousand in initial direct costs for the lease. All amounts were paid with cash. The intellectual property rights were booked as reacquired franchise rights. Initial direct costs were booked as part of the lease asset.

5. RECEIVABLES—NET

Receivables-net at December 25, 2023 and December 26, 2022 consist of the following (in thousands):

	<u>December 25, 2023</u>	<u>December 26, 2022</u>
Franchise accounts and notes receivable	\$ 8,427	\$ 18,238
Licensing receivables	5,093	4,987
Other accounts receivables	3,109	4,789
Less: Allowance for credit losses	(293)	(9,144)
 Total Receivables-Net	 <u>\$ 16,336</u>	 <u>\$ 18,870</u>

6. PREPAID EXPENSE AND OTHER

Prepaid expenses and other at December 25, 2023 and December 26, 2022 consist of the following (in thousands):

	<u>December 25, 2023</u>	<u>December 26, 2022</u>
Computer maintenance	307	576
Advertising	554	403
Insurance	976	1,019
Gift card production costs	404	217
Deposits	205	197
Prepaid taxes	296	352
Other	325	655
 Total Prepaids	 <u>\$ 3,067</u>	 <u>\$ 3,419</u>

7. PROPERTY, EQUIPMENT, IMPROVEMENTS—NET

Property, equipment, and improvements—net at December 25, 2023 and December 26, 2022 consist of the following (in thousands):

	<u>December 25, 2023</u>	<u>December 26, 2022</u>
Buildings and leasehold improvements	\$ 62,817	\$ 62,047
Furniture and equipment	51,584	51,691
Capitalized software	12,597	12,598
Construction in progress	1,560	810
Land	-	590
Total PPE cost	\$ 128,558	\$ 127,736
Less accumulated depreciation and amortization	<u>(99,654)</u>	<u>(92,155)</u>
Property, equipment, and improvements-net	<u>\$ 28,904</u>	<u>\$ 35,581</u>

Depreciation expense was \$11.8 million, \$12.4 million, and \$11.0 million for the fiscal years ended December 25, 2023, December 26, 2022, and December 27, 2021, respectively and is included in depreciation and amortization expense in the consolidated statements of operations.

8. GOODWILL AND INTANGIBLE ASSETS—NET

The Company's goodwill is recorded at the Company-owned restaurant reporting unit.

During the fourth quarter of fiscal year 2023 the Company completed its annual goodwill impairment test. The Company recorded no goodwill impairment charges in fiscal years ended December 25, 2023 and December 26, 2022. Life-to-date there has been no goodwill impaired.

	Life (Years)	December 25, 2023			December 26, 2022		
		Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Tradename	Indefinite	\$ 181,400	\$ -	\$ 181,400	\$ 181,400	\$ -	\$ 181,400
Franchise agreements	10	56,700	(53,629)	3,071	56,700	(47,959)	8,741
License agreements	5	24,100	(24,100)	-	24,100	(24,100)	-
Below market leases	Various	1,883	(947)	936	1,915	(730)	1,185
Liquor licenses	Indefinite	10,368	-	10,368	13,603	-	13,603
Re-acquired Franchise Rights	Various	14,441	(6,416)	8,025	15,053	(5,271)	9,782
Total intangible assets		<u>\$ 288,892</u>	<u>\$ (85,092)</u>	<u>\$ 203,800</u>	<u>\$ 292,771</u>	<u>\$ (78,060)</u>	<u>\$ 214,711</u>

Amortization expense for the fiscal years ended December 25, 2023, December 26, 2022, and December 27, 2021, respectively was \$7.0 million, \$7.1 million, and \$7.4 million, and is included in depreciation and amortization in the consolidated statements of operations. Amortization of below market leases was included in restaurant operating expenses. See Note 10 – Leases for further detail.

As of December 25, 2023, expected amortization expense of intangible assets in future periods is as follows (in thousands):

<u>Fiscal Year</u>	<u>Amortization Expense</u>
2024	4,558
2025	1,438
2026	1,425
2027	1,358
2028	1,358
Thereafter	1,895
Total	\$ 12,032

9. ACCRUED LIABILITIES

Accrued Liabilities as of December 25, 2023 and December 26, 2022 consist of the following (in thousands):

	<u>December 25, 2023</u>	<u>December 26, 2022</u>
Gift cards	\$ 6,563	\$ 6,450
Payroll	8,943	7,682
Accrued interest	3,260	3,153
Property taxes	1,829	2,325
Loyalty and award programs	2,359	2,359
Other	\$ 9,310	7,666
Total Accrued Liabilities	\$ 32,264	\$ 29,635

10. LEASES

The Company engages in leasing activity as a lessee. The majority of the Company's lease portfolio originated from its active involvement in the development of restaurants for operation. This activity included the Company's purchase or leasing of the site on which the restaurant was located. The Company's current lease activity is predominantly comprised of renewals of existing lease arrangements and exercises of options on existing lease arrangements. All ASC 842 leases are classified as operating leases.

The Company leases from third parties the real property on which 140 company-operated restaurants are located. The Company also leases office space for its principal corporate office in Dallas, Texas. The Company does not have non-real estate leases.

The Company's existing leases related to restaurants generally provide for an initial term of 5 to 20 years, with most having one or more five-year renewal options. Option periods that were deemed reasonably certain to renew were included in determining liabilities and right-of-use assets related to operating leases. Approximately half of the Company's leases contain provisions requiring additional rent payments by the Company based on a percentage of restaurant sales.

The individual lease agreements do not provide information to determine the implicit interest rate in the agreements. The Company makes significant judgments in estimating the incremental borrowing rates that were used in calculating operating lease liabilities as of the adoption date. The Company estimated the interest rate for each lease primarily by reference to (i) yield rates on debt issuances by companies of a similar credit rating as the Company and (ii) adjustments for differences in years to maturity.

The Company's lease cost for the year ended December 25, 2023 and December 26, 2022 were as follows (in thousands):

	<u>December 25, 2023</u>	<u>December 26, 2022</u>
Operating lease cost	\$ 36,304	\$ 35,918
Variable lease cost	5,316	4,606
Short-term lease cost	6,547	5,428
Lease cost	<u>\$ 48,167</u>	<u>\$ 45,952</u>

Future minimum lease payments under noncancelable leases as lessee as of December 25, 2023 were \$189.9 million. The weighted average remaining lease term as of December 25, 2023 was 7.9 years, and the weighted average discount rate was 5.7%.

During the year ended December 25, 2023, the Company made the following cash payments for leases (in thousands):

Payments on operating leases	\$ 32,837
Variable lease payments	\$ 5,316

Future minimum lease payments and discounted lease obligation at December 25, 2023, are as follows (in thousands):

Fiscal Years Ending	Amount
2024	\$ 30,397
2025	27,949
2026	26,386
2027	22,667
2028	18,035
Thereafter	<u>64,482</u>
Total	189,916
Less: interest	<u>(38,325)</u>
Total discounted lease obligations	<u>\$ 151,591</u>

11. DEBT

Debt at December 25, 2023 and December 26, 2022 consists of the following (in thousands):

	<u>December 25, 2023</u>			<u>December 26, 2022</u>		
	<u>Long Term</u>	<u>Short Term</u>	<u>Total</u>	<u>Long Term</u>	<u>Short Term</u>	<u>Total</u>
Texas Partners Bank	\$ -	\$ 17,500	\$ 17,500	\$ 16,250	\$ 5,000	\$ 21,250
Gold Coast	\$ -	\$ 888	\$ 888	\$ 531	\$ 2,052	\$ 2,583
Southeast Restaurant Group	\$ 1,733	\$ 1,041	\$ 2,774	\$ 2,585	\$ 999	\$ 3,584
Series 2017-1 Class A-2 Senior Notes	\$ 283,117	\$ 9,305	\$ 292,422	\$ 304,051	\$ 8,265	\$ 312,316
Yadav Kids LLC	\$ -	\$ 2,500	\$ 2,500			
Debt issuance cost	-	(363)	(363)	(339)	(1,081)	(1,420)
Total	<u>\$ 284,850</u>	<u>\$ 30,871</u>	<u>\$ 315,721</u>	<u>\$ 323,078</u>	<u>\$ 15,235</u>	<u>\$ 338,313</u>

Series 2017-1 Senior Notes- On March 2, 2017, TGIF Funding, LLC (“TGIF Funding”), a special purpose Delaware limited liability company and a direct wholly-owned subsidiary of the Company, entered into a base indenture (the “Indenture”) under which TGIF Funding may issue multiple series of notes. On that date, TGIF Funding entered into a supplement to the Indenture (the “Series 2017-1 Supplement”) whereby it issued a series of senior term notes, the Series 2017-1 6.202% Fixed Rate Senior Secured Notes, Class A-2 (the “Series 2017-1 Class A-2 Senior Notes”) in an aggregate principal amount of \$375.0 million.

The Series 2017-1 Senior Notes were issued in a securitization transaction pursuant to which certain of the Company’s revenue-generating assets, consisting of existing and future franchise agreements, existing and future company-owned restaurant royalties, license agreements, existing and future intellectual property, and related revenues, were contributed or otherwise transferred to a direct wholly-owned subsidiary of TGIF Funding, which subsidiary acts as a guarantor of the Series 2017-1 Senior Notes and has pledged substantially all of its assets as security for such guarantee obligation.

Interest and principal payments on the Series 2017-1 Class A-2 Senior Notes are payable on a quarterly basis. The legal final maturity date of the Series 2017-1 Class A-2 Senior Notes is April 30, 2047, but the anticipated repayment date of such notes is April 30, 2024 (the “Series 2017-1 Anticipated Repayment Date”). The failure to pay the Series 2017-1 Class A-2 Senior Notes in full by the Series 2017-1 Anticipated Repayment Date will not be an event of default under the Indenture, but the Series 2017-1 Class A-2 Senior Notes continue in rapid amortization in accordance with the provisions of the Indenture.

During the fiscal year ended December 25, 2017, the Company incurred debt issuance costs of \$8.1 million in connection with the issuance of the Series 2017-1 Class A-2 Senior Notes. The debt issuance costs are being amortized to interest expense through the Series 2017-1 Anticipated Repayment Date utilizing the effective interest rate method. As of December 25, 2023, December 26, 2022, and December 27, 2021, the effective interest rate, including the amortization of debt issuance costs, was 6.31%, 6.33%, and 6.31%, respectively, for the Series 2017-1 Class A-2 Senior Notes.

The Series 2017-1 Senior Notes are subject to a series of covenants and restrictions customary for transactions of this type including, but not limited to, certain indemnification payments in the event of default, the pledging of assets as collateral for the Series 2017-1 Senior Notes and covenants related to recordkeeping, reporting and access to information. The Series 2017-1 Senior Notes are also subject to customary rapid amortization events provided for in the Indenture, including events tied to failure to maintain stated debt service coverage ratios (above 1.20) and if trailing-twelve-month system-wide sales are less than \$1.5 billion on a quarterly basis.

As of July 27, 2020, the Company’s trailing-twelve-month system-wide sales fell below the \$1.5 billion threshold required per the Indenture, triggering a rapid amortization event. When the rapid amortization event was triggered, on each quarterly calculation date thereafter, 100% of the amounts remaining on deposit in the collection account are directed to pay down the 2017-1 Senior Notes principal balance. The Company paid down \$12.4 million in fiscal year 2023 and \$16.6 million in fiscal year 2022 on the 2017-1 Class A-2 Senior Notes due to the rapid amortization event, plus \$7.5 million each year from the contracted repayment schedule. The Company also failed other covenants included in the indenture, none of which require repayment of the debt more rapidly than the system-wide sales covenant described above nor make the debt immediately callable. . Borrowings under the Series 2017-1 Class A-2 Senior Notes accrue interest at a fixed rate of 6.202%.

Acquisition Notes Payable—As part of the 2018 acquisition of Gold Coast restaurants, the purchase consideration included non-cash components including a note payable to the seller. Per the agreement with Gold Coast, the Company is to pay \$7.5 million over forty-two monthly installments beginning eighteen months from the acquisition date. The fair value of note payable to the seller on the acquisition date was determined by discounting the future installment payments utilizing a discount rate of 5.5%. In fiscal 2021 the payable was reduced by \$740 thousand per a contingent consideration provision in the contract. That reduction was reflected in (Gain) loss on sales of assets in the Statements of Operations and Statements of Cash Flows. Borrowings accrue interest at a fixed rate of 5.5%.

As part of the 2022 acquisition of Southeast Restaurant Group restaurants, the purchase consideration included non-cash components including two notes payable to the seller. Per the agreement the Company is to pay a total of \$4.15 million over forty-eight monthly installments beginning June 2022. The notes include an interest rate of 4.0%.

Paycheck Protection Program Loans—In April and May 2020, TGI Fridays, Inc. and thirteen of its wholly-owned subsidiaries entered into unsecured loans in the aggregate principal amount of \$14.9 million (the “PPP Loans”) with US Bank, N.A. (the “Lender”) pursuant to the Payroll Protection Program (“PPP”). In 2021, an additional \$4.0 million was borrowed. The entire balance was forgiven and recorded as a PPP loan forgiveness gain in 2021.

Texas Partners Bank Loan-In March 2022, the Company borrowed \$25 million from Texas Partners Bank, which is due in 20 quarterly payments beginning June 2022. Interest is based on the prime rate minus .25%. The funds were used to pay off the 2017-1 Class A-1 Senior Notes. The Company is subject to customary financial covenants governed by the loan agreement with Texas Partners Bank. At the end of fiscal year 2023, \$17.5 million remained due on the note. The Company did not make required September and December 2023 payments, and has received a conditional waiver of those payments, along with a waiver of other covenants missed during 2023. As discussed in footnote 1, the Company was out of compliance at fiscal year end, and the note is included in short-term liabilities.

Yadav Kids Loan-In December 2023 the Company borrowed \$2.5 million from Yadav Kids, LLC, an entity controlled by a franchisee and board of directors member. Interest is 15%, with 5% closing fee and 5% exit fee. The loan is due June 2024.

12. OTHER LONG-TERM LIABILITIES

Other long-term liabilities at December 25, 2023 and December 26, 2022 consist of the following (in thousands):

	<u>December 25, 2023</u>	<u>December 26, 2022</u>
Deferred franchise fees and licensing royalties	\$ 3,785	\$ 5,989
Insurance reserve	465	742
Other	729	104
Total	<u>\$ 4,979</u>	<u>\$ 6,835</u>

13. COMMITMENTS AND CONTINGENCIES

Operating Leases—In prior years the Company sold certain restaurants to franchisees. In connection with the sales, the franchisees became primary obligors on the agreements. In conjunction with the sales, the Company provided secondary guarantees on certain leases, with commitments totaling \$17.8 million at December 25, 2023.

Litigation Matters—The Company is party to various legal proceedings and complaints arising in the ordinary course of business. Since most of these matters are covered by insurance, management believes that the ultimate resolution of all matters will not have a material adverse effect on the Company’s consolidated financial statements. As part of the Acquisition, Carlson agreed to indemnify the Company for all existing litigation as of the Acquisition date.

14. EQUITY

Equity—The Company’s outstanding common stock as of December 25, 2023 and December 26, 2022 consists of 250,000 authorized and 199,270 shares issued and outstanding stock which are held by TGIF Holdings, LLC.

The Company is a majority partner in two partnerships, which own TGI Friday’s restaurants at the Dallas-Fort Worth International Airport. The restaurant results are consolidated in the financial statements, and the minority partners share

of net income is reported as Non-controlling Interest in the Consolidated Statements of Operation, and their net equity in the Equity section of the Balance Sheet.

15. EMPLOYEE BENEFIT PLANS

Defined Contribution Plan—The Company offers a 401(k) savings and profit-sharing plan to eligible employees. The Company makes employer contributions funds to this plan up to a maximum percentage of each employee’s annual contributions. The expense for this plan was \$1.1 million, \$1.1 million, and \$0.9 million for the fiscal years ended December 25, 2023, December 26, 2022, and December 27, 2021, respectively and is included in general and administrative expenses in the consolidated statements of operations. No changes were made to the 401(k) plan during 2023 or 2022 or 2021.

Share-based Compensation—The TGIF Midco, Inc. 2021 Stock Option Plan (the “Plan”), provides for the grant of up to 25,582 options to acquire stock in the Company to certain of the Company’s employees. Stock options are subject to time-based vesting. Options granted under the Plan terminate on the ten-year anniversary of the grants (subject to earlier termination in accordance with their terms). The exercise price of all options granted is equal to the estimated fair value of the Company’s stock.

The Time Options are subject to the grantee’s continued service with the Company after the grant date and through the applicable vesting dates. The Time Options vest 25% on the first anniversary of the Effective Date (October 16, 2019), the vesting commencement date and 2.083% on the last day of each of the subsequent 36 months. At the grant date, approximately 79% was vested, with the balance to vest over the following 15 months at 2.083% per month. All unvested options will immediately vest upon the completion of a sale of the Company.

The fair value of each option is estimated on the date of grant using the Black-Scholes option pricing model. The Black-Scholes model incorporates assumptions of expected volatility, expected dividend yield, the expected term of the options and the risk-free interest rate. The expected volatility is based on a five-year average of the historical volatility of the stock of the Company’s peer group. The expected term of share-based grants represents the weighted average period the share-based grant is expected to remain outstanding. The risk-free interest rate was based on the U.S. Treasury term approximately equal to the expected term.

25,582 options were granted in fiscal 2021. The specific assumptions used in determining the underlying fair value of the options were as follows:

Expected volatility	32.50%
Risk-free interest rate	2.48%
Expected dividend yield	0.00%
Expected term - in years	7
Forfeiture rate	0.00%
Fair value per share	\$ 44.41

Due to options expiring \$0.6 million of benefit was recorded in 2023 related to these options and is reflected in general and administrative expenses. The Company expects to record approximately \$0.2 million and \$0.2 million in expense in 2024 and 2025, respectively. 100% of the remaining options granted in 2021 had vested at December 25 2023.

Employee Medical Insurance—Health and dental benefits for employees are paid using the general assets of the Company. Health and dental insurance expense were \$4.8 million, \$5.3 million, and \$5.4 million for the fiscal years ended December 25, 2023, December 26, 2022, and December 27, 2021, respectively, and is included in the general and administrative expense in the consolidated statements of operations.

16. INCOME TAXES

The Company's net (loss) income before income taxes is only generated in the United States.

The components of the provision for income taxes reflected in the consolidated statements of operations for the fiscal years ended December 25, 2023, December 26, 2022 and December 27, 2021 are as follows (in thousands):

	2023	2022	2021
Current:			
Federal	\$ -	\$ -	\$ -
State	345	385	325
Foreign	<u>1,886</u>	<u>1,723</u>	<u>1,137</u>
Total current expense	2,231	2,108	1,462
Deferred tax expense	<u>(582)</u>	<u>849</u>	<u>504</u>
Total expense	<u>\$ 1,649</u>	<u>\$ 2,957</u>	<u>\$ 1,966</u>

Foreign taxes represent withholding taxes on foreign royalties and taxes. The Company receives payments from independent foreign franchisees that do not generate foreign income taxes.

A reconciliation of income taxes from continuing operations computed at the federal statutory rate of 21% for the fiscal years ended December 25, 2023, December 26, 2022, and December 27, 2021.

	2023	2022	2021
Income taxes computed at the U.S. statutory rate	21.0%	21.0%	21.0%
State income taxes-net	4.1	(1.9)	5.4
Tax credits	7.7	(31.1)	1.5
Valuation allowance	(34.0)	(572.6)	(18.6)
Foreign withholding tax, net of FTC	(4.6)	(58.2)	2.1
Other items-net	0.7	516.3	(6.8)
Effective income tax rate	<u>(5.1%)</u>	<u>(126.4%)</u>	<u>4.6%</u>

The components of the net deferred tax assets and liabilities as of December 25, 2023 and December 26, 2022 are as follows:

Components of deferred taxes	<u>2023</u>	<u>2022</u>
Deferred income tax assets:		
Net operating loss carryforwards	\$ 25,176	\$ 20,496
Credit carryforwards	30,695	27,556
Accrued expenses	1,506	3,689
Deferred revenue	1,727	2,343
Intangible assets	4,713	4,732
Interest limitation	20,630	15,123
Property and equipment	9,742	8,307
Other	879	1,746
ROU Asset/Lease Liability	2,621	(735)
Gross deferred tax assets	<u>97,689</u>	<u>83,255</u>
Valuation allowance	<u>(75,585)</u>	<u>(64,649)</u>
Total deferred tax assets, net	22,104	18,606
Deferred income tax liabilities:		
Tradenames and goodwill	(30,409)	(27,679)
Favorable leases	<u>913</u>	<u>1,099</u>
Total deferred tax liabilities	<u>(29,496)</u>	<u>(26,580)</u>
Deferred tax liabilities, net	<u>\$ (7,392)</u>	<u>\$ (7,974)</u>

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

At December 25, 2023 and December 26, 2022, the Company had pre-tax net operating loss carryforwards of \$93.7 million and \$76.9 million, respectively, available for U.S. federal income tax purposes and \$126.6 million and \$95.5 million, respectively, for state tax purposes. The Company's Federal net operating loss carryforwards generated before tax year 2018 begin to expire in 2034. As a result of the CARES Act mentioned above, all net operating losses generated in tax year 2018 and beyond can be carried forward indefinitely; however, these post-2018 net operating losses can only be used to offset 80% of taxable income. The Company has credit carryforwards, primarily Federal Insurance Contributions Act ("FICA") tip credit and foreign tax credits, which begin to expire in 2025. The FICA tip credits expire in 20 years and the foreign tax credits expire in 10 years.

Federal tax returns for the years after 2018 remain open for examination. Various state income tax returns are under examination and other state returns remain open to examination. With respect to state, local and foreign jurisdictions, the Company is no longer subject to income tax audits for years prior to 2017. The Company does not expect the liabilities for unrecognized tax benefits to change by a significant amount during the next twelve months.

The Company records a liability for unrecognized tax benefits resulting from tax positions taken, or expected to be taken, in an income tax return. The Company recognizes any interest and penalties related to unrecognized tax benefits in income tax expense. Significant judgment is required in assessing, among other things, the timing and amounts of deductible and taxable items. Uncertain tax benefit liabilities are evaluated and remeasured appropriate, while considering the progress of audits of various taxing jurisdictions.

As of December 25, 2023, and December 26, 2022, the Company had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

17. FAIR VALUE MEASUREMENTS

Fair value measurements are determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy) has been established. The Company's financial instruments consist of cash and cash equivalents, restricted cash, accounts and notes receivable, accounts payable, Series 2017-1 Senior Notes, and acquisition notes. The carrying amount of cash and cash equivalents, restricted cash, accounts receivable and accounts payable approximates fair value because of their short maturities.

Certain assets are measured at fair value on a nonrecurring basis. These assets are not measured at fair value on an ongoing basis but are subject to fair value adjustments only in certain circumstances. These include certain long-lived assets that are written down to fair value when they are held for sale or determined to be impaired and goodwill and intangible assets that are written down to fair value when they are determined to be impaired. Fair value measurements on these assets are based on level 3 measurement.

18. RELATED-PARTY TRANSACTIONS

Affiliates of TriArtisan provide various management and consulting services to the Company pursuant to a management services agreement. Total fees paid for the fiscal years ended December 25, 2023, December 26, 2022, and December 27, 2021, respectively, were \$3.3 million, \$2.5 million, and \$2.5 million respectively, which are recorded in general and administrative expenses in the consolidated statements of operations.

Norton Creative, LLC, a marketing agency owned by the spouse of the Company's former Chief Executive Officer, performed services for the Company, including social media services, campaign and promotion development services, menu exploration and brand positioning services. During the fiscal years ended December 25, 2023, December 26, 2022, and December 27, 2021, expenses for Norton Creative, LLC's services were \$199 thousand, \$265 thousand, and \$215 thousand, respectively.

Anil Yadav, a member of the Company's Board of Directors, has been a franchisee of the Company since 2015 and currently operates 46 locations. During the fiscal year ended December 25, 2023, the entities through which Mr. Yadav conducts his franchise operations were invoiced \$8.7 million by the Company. No invoices were outstanding as of December 25, 2023 in accounts receivable. As discussed in footnote 11, the Company borrowed \$2.5 million from Yadav Kids, LLC, an entity controlled by Mr. Yadav.

Creating Culinary Communities LLC (C3) is a portfolio company of TriArtisan. C3 owns the Krispy Rice concept, and TGIF operates Krispy Rice virtual kitchens inside some of its restaurants. The Company paid C3 royalties of \$656 thousand in fiscal 2023, \$120 thousand in fiscal 2022 and \$22 thousand in fiscal 2021.

19. SUBSEQUENT EVENTS

Management of the Company has analyzed subsequent events to May 10, 2024, which is the date the consolidated financial statements were available to be issued. The Company closed 36 restaurants in January 2024. Lease terminations are being negotiated. The Company sold its licensing business with Kraft Heinz, and substantially all the proceeds of \$140 million went toward a principal paydown of the Series 2017-1 Senior Notes. On April 16, 2024, the Company announced that it has entered into a planned merger with Hostmore plc, its UK franchisee, and a public Company listed on the London Stock Exchange.

There were no subsequent events as of the date the financial statements were issued which required adjustment to the financial statements.

EXHIBIT K

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EXHIBIT L

ADDITIONAL DISCLOSURES AND AMENDMENTS REQUIRED BY CERTAIN STATES

ADDITIONAL DISCLOSURES REQUIRED BY

**THE STATE OF CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN,
MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA,
VIRGINIA, WASHINGTON, AND WISCONSIN**

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF INDIANA,
SOUTH DAKOTA, WASHINGTON AND WISCONSIN**

No Waiver of Disclaimer of Reliance in Certain States. The following provision applies only to franchisees and franchises that are subject to the state franchise disclosure laws in Indiana, South Dakota, Washington or Wisconsin:

No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**AMENDMENT TO THE TGI FRIDAYS RESTAURANT
DEVELOPMENT AGREEMENT
REQUIRED FOR CALIFORNIA, HAWAII, INDIANA, MICHIGAN, SOUTH DAKOTA,
VIRGINIA, AND WISCONSIN DEVELOPERS**

This Amendment to the TGI Fridays Restaurant Development Agreement dated _____ (“Development Agreement”) between TGI Fridays Franchisor, LLC (“Franchisor”), a Delaware limited liability company, and _____ (“Developer”), a _____, is entered into simultaneously with the execution of the Development Agreement.

1. **No Waiver of Disclaimer of Reliance in Certain States.** The following provision applies only to franchisees and franchises that are subject to the state franchise disclosure laws in California, Hawaii, Indiana, Michigan, South Dakota, Virginia or Wisconsin:

No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Development Agreement.
3. Except as expressly modified by this Amendment, the Development Agreement remains unmodified and in full force and effect.

ATTEST:

TGI FRIDAYS FRANCHISOR, LLC

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

ATTEST:

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

**AMENDMENT TO THE TGI FRIDAYS RESTAURANT
FRANCHISE AGREEMENT
REQUIRED FOR CALIFORNIA, HAWAII, INDIANA, MICHIGAN, SOUTH DAKOTA,
VIRGINIA, AND WISCONSIN FRANCHISEES**

This Amendment to the TGI Fridays Restaurant Franchise Agreement dated _____ (“Franchise Agreement”) between TGI Fridays Franchisor, LLC (“Franchisor”), a Delaware limited liability company, and _____ (“Franchisee”), a _____, is entered into simultaneously with the execution of the Franchise Agreement.

1. **No Waiver of Disclaimer of Reliance in Certain States.** The following provision applies only to franchisees and franchises that are subject to the state franchise disclosure laws in California, Hawaii, Indiana, Michigan, South Dakota, Virginia or Wisconsin:

No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Franchise Agreement.
3. Except as expressly modified by this Amendment, the Franchise Agreement remains unmodified and in full force and effect.

ATTEST:

TGI FRIDAYS FRANCHISOR, LLC

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

ATTEST:

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

ADDITIONAL DISCLOSURES REQUIRED BY

THE STATE OF CALIFORNIA

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF CALIFORNIA**

1. SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

See the cover page of the disclosure document for our URL address. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

2. **Item 3, Additional Disclosure.** The following statement is added to Item 3:

Neither we nor any person listed in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a *et seq.*, suspending or expelling such parties from membership in such association or exchange.

3. **Item 17, Additional Disclosures.** The following statements are added to Item 17:

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of the Franchise. If the franchise agreements contain a provision that is inconsistent with the law, the law will control.

The franchise agreements provide for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101, *et seq.*).

The franchise agreements provide for application of the laws of Texas. This provision may not be enforceable under California law.

The franchise agreements contain a covenant not to compete which extends beyond the termination of the franchise. These provisions may not be enforceable under California law.

The franchise agreement contains liquidated damages clauses. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

You must sign a general release when you execute the Franchise Agreement and the Development Agreement (if applicable) and if you transfer your franchise or development rights (if applicable) or execute a successor franchise agreement. These provisions may not be enforceable under California law. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516).

Business and Professions Code Section 21000 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

Before the franchisor can ask you to materially modify your existing franchise agreement, Section 31125 of the California Corporations Code requires the franchisor to file a material modification application with the Department that includes a disclosure document showing the existing terms and the proposed new terms of your franchise agreement. Once the application is registered, the franchisor must provide you with the disclosure document with an explanation that the changes are voluntary.

4. **Item 19, Additional Disclosures.** The following statement is added to Item 19:

The earnings claims figures does not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Restaurant. Franchisees or former franchisees, listed in the disclosure document, may be one source of this information.

5. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner.

ADDITIONAL DISCLOSURES REQUIRED BY

THE STATE OF HAWAII

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF HAWAII**

Miscellaneous Disclosures. The following paragraphs are added after Item 23:

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Registered agent in the state authorized to receive service of process: **Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, Securities Compliance Branch, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813.**

No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

AMENDMENTS REQUIRED BY

THE STATE OF ILLINOIS

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURE
REQUIRED BY THE STATE OF ILLINOIS**

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration in a venue outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a Franchise Agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to these Additional Disclosures.

No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**AMENDMENT TO THE TGI FRIDAYS RESTAURANT
DEVELOPMENT AGREEMENT
REQUIRED FOR ILLINOIS DEVELOPERS**

This Amendment to the TGI Fridays Restaurant Development Agreement dated _____ (“Development Agreement”) between TGI Fridays Franchisor, LLC (“Franchisor”), a Delaware limited liability company, and _____ (“Developer”), a _____, is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Amendment form an integral part of, and are incorporated into the Development Agreement. This Amendment is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of Illinois; **(B)** Developer is a resident of the State of Illinois; and/or **(C)** part or all of the Territory is located in the State of Illinois.
2. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
3. The following sentence is added to the end of Section 20.A.:

Notwithstanding the foregoing, Illinois law shall govern this Agreement.
4. The following sentence is added to the end of Section 20.B.:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois.
5. The following sentence is added to the end of Section 20.C.:

Section 27 of the Illinois Franchise Disclosure Act provides that causes of action under the Act must be brought within the earlier of: three years of the violation, one year after the franchisee becomes aware of the underlying facts or circumstances or 90 days after delivery to the franchisee of a written notice disclosing the violation.
6. The following sentence is added to the end of Section 22:

Section 41 of the Illinois Franchise Disclosure Act states that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act is void.
7. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Development Agreement.

8. Except as expressly modified by this Amendment, the Development Agreement remains unmodified and in full force and effect.

ATTEST:

TGI FRIDAYS FRANCHISOR, LLC

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

ATTEST:

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

**AMENDMENT TO THE TGI FRIDAYS RESTAURANT
FRANCHISE AGREEMENT
REQUIRED FOR ILLINOIS FRANCHISEES**

This Amendment to the TGI Fridays Restaurant Franchise Agreement dated _____ (“Franchise Agreement”) between TGI Fridays Franchisor, LLC (“Franchisor”), a Delaware limited liability company, and _____ (“Franchisee”), a _____, is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Amendment form an integral part of, and are incorporated into the Franchise Agreement. This Amendment is being executed because: **(A)** the offer or sale of the franchise to Franchisee was made in the State of Illinois; **(B)** Franchisee is a resident of the State of Illinois; and/or **(C)** the Restaurant will be located in the State of Illinois.
2. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
3. The following sentence is added to the end of Section 29.A.:

Notwithstanding the foregoing, Illinois law shall govern this Agreement.
4. The following sentence is added to the end of Section 29.B.:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois.
5. The following sentence is added to the end of Section 29.C.:

Section 27 of the Illinois Franchise Disclosure Act provides that causes of action under the Act must be brought within the earlier of: 3 years of the violation, 1 year after the franchisee becomes aware of the underlying facts or circumstances or 90 days after delivery to the franchisee of a written notice disclosing the violation.
6. The following sentence is added to the end of Section 31:

Section 41 of the Illinois Franchise Disclosure Act states that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act is void.
7. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Franchise Agreement.

8. Except as expressly modified by this Amendment, the Franchise Agreement remains unmodified and in full force and effect.

ATTEST:

TGI FRIDAYS FRANCHISOR, LLC

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

ATTEST:

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

**AMENDMENTS REQUIRED BY
THE STATE OF MARYLAND**

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF MARYLAND**

Item 17, Additional Disclosures. The following statements are added to Item 17:

The franchise agreements provide for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law.

Any provisions requiring you to sign a general release of claims against us, including upon execution of the Franchise Agreement, Development Agreement or a successor franchise agreement or transfer, does not release any claim you may have under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

A franchisee may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to these Additional Disclosures.

**AMENDMENT TO THE TGI FRIDAYS RESTAURANT
DEVELOPMENT AGREEMENT
REQUIRED FOR MARYLAND DEVELOPERS**

This Amendment to the TGI Fridays Restaurant Development Agreement dated _____ (“Development Agreement”) between TGI Fridays Franchisor, LLC (“Franchisor”), a Delaware limited liability company, and _____ (“Developer”), a _____, is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Amendment form an integral part of, and are incorporated into the Development Agreement. This Amendment is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of Maryland; **(B)** Developer is a resident of the State of Maryland; and/or **(C)** part or all of the Territory is located in the State of Maryland.
2. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
3. The following sentence is added to the end of Section 11 (General Release):

This release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
4. The following sentence is added to the end of Section 20.B. (Choice of Forum):

Notwithstanding the foregoing, Developer may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
5. The following sentence is added to the end of Section 20.C. (Limitation of Actions):

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
6. The following sentence is added to the end of Section 22 (Representations):

Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel, or waiver of liability as a condition of purchasing a franchise. Representations in this Agreement are not intended to, nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
7. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Development Agreement.

8. Except as expressly modified by this Amendment, the Development Agreement remains unmodified and in full force and effect.

ATTEST:

TGI FRIDAYS FRANCHISOR, LLC

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

ATTEST:

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

**AMENDMENT TO THE TGI FRIDAYS RESTAURANT
FRANCHISE AGREEMENT
REQUIRED FOR MARYLAND FRANCHISEES**

This Amendment to the TGI Fridays Restaurant Franchise Agreement dated _____ (“Franchise Agreement”) between TGI Fridays Franchisor, LLC (“Franchisor”), a Delaware limited liability company, and _____ (“Franchisee”), a _____, is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Amendment form an integral part of, and are incorporated into the Franchise Agreement. This Amendment is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of Maryland; **(B)** Franchisee is a resident of the State of Maryland; and/or **(C)** the Restaurant will be located in the State of Maryland.
2. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
3. The following sentence is added to the end of Sections 2.B.(2).(g) (Successor Terms), 18.B.(5) (Transfers by Franchisee) and 19 (General Release):

This release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
4. The following sentence is added to the end of Section 29.B. (Choice of Forum):

Notwithstanding the foregoing, Franchisee may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
5. The following sentence is added to the end of Section 29.C. (Limitation of Claims):

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
6. The following sentence is added to the end of Section 31 (Representations):

Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel, or waiver of liability as a condition of purchasing a franchise. Representations in this Agreement are not intended to, nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
7. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Franchise Agreement.

8. Except as expressly modified by this Amendment, the Franchise Agreement remains unmodified and in full force and effect.

ATTEST:

TGI FRIDAYS FRANCHISOR, LLC

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

ATTEST:

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

ADDITIONAL DISCLOSURES REQUIRED BY

THE STATE OF MICHIGAN

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF MICHIGAN**

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition of the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years; and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchisee on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchisee for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

THE FACT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this Notice shall be directed to:

Michigan Department of Attorney General
Consumer Protection Div., Franchise Section
525 West Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48913
(517) 373-7117

No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

AMENDMENTS REQUIRED BY

THE STATE OF MINNESOTA

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF MINNESOTA**

1. **Trademarks.** The following statements are added to Item 13:

The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols, or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's rights to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

2. **Notice of Termination.** The following statement is added to Item 17:

With respect to licenses governed by Minnesota law, we will comply with Minnesota Statute § 80C.14, subdivisions 3, 4, and 5 which requires, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreements.

3. **Choice of Forum and Law.** The following statement is added to the cover page and Item 17:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

You cannot consent to our obtaining injunctive relief. We may seek injunctive relief. A court will determine if a bond or security must be posted. See Minn. Rules 2860.4400J.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

4. **General Release.** The following statement is added to Item 17:

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

5. **Waiver of Right to Jury Trial and Consent to Liquidated Damages or Termination Penalties:**

The following statement is added to Item 17:

Minnesota Rule 2860.4400J, among other things, prohibits us from requiring you to waive your rights to a jury trial or to consent to liquidated damages, termination penalties, or judgment notes; provided, that this part will not bar an exclusive arbitration clause.

6. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**AMENDMENT TO THE TGI FRIDAYS RESTAURANT
DEVELOPMENT AGREEMENT
REQUIRED FOR MINNESOTA DEVELOPERS**

This Amendment to the TGI Fridays Restaurant Development Agreement dated _____ (“Development Agreement”) between TGI Fridays Franchisor, LLC (“Franchisor”), a Delaware limited liability company, and _____ (“Developer”), a _____, is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Amendment form an integral part of, and are incorporated into, the Development Agreement. This Amendment is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of Minnesota; **(B)** Developer is a resident of the State of Minnesota; and/or **(C)** part or all of the Territory is located in the State of Minnesota.
2. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
3. The following sentence is added to the end of Section 11:

Notwithstanding the foregoing, Developer will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.
4. The following is added to Sections 12.B.(2), 12.D. and 20.G.:

Notwithstanding anything to the contrary in this Section, Franchisor may seek injunctive relief; however, Developer cannot consent to Franchisor obtaining injunctive relief. A court will determine if a bond or security must be posted. See Minn. Rules 2860.4400J.
5. The following is added to Sections 12.D., 13.D., 20.D. and 22.L.:

Minnesota Rule 2860.4400J, among other things, prohibits Franchisor from requiring Developer to waive its right to a jury trial or to consent to liquidated damages or termination penalties.
6. The following sentence is added to the end of Section 13:

With respect to franchises governed by Minnesota law, Franchisor will comply with Minnesota Statute § 80C.14, Subdivisions 3, 4, and 5, which require, except in certain cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) of the Development Agreement.
7. The following sentences are added to the end of Section 20:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or Development Agreement can abrogate or reduce any of Developer’s rights as provided for in

Minnesota Statutes, Chapter 80C, or Developer's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

8. The following sentence is added to the end of Section 20.C.:

Minnesota Statute § 80C.17, Subdivision 5, provides that no action may be commenced pursuant to that Section more than three years after the cause of action accrues.

9. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Development Agreement.

10. Except as expressly modified by this Amendment, the Development Agreement remains unmodified and in full force and effect.

ATTEST:

TGI FRIDAYS FRANCHISOR, LLC

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

ATTEST:

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

**AMENDMENT TO THE TGI FRIDAYS RESTAURANT
FRANCHISE AGREEMENT
REQUIRED FOR MINNESOTA FRANCHISEES**

This Amendment to the TGI Fridays Restaurant Franchise Agreement dated _____ (“Franchise Agreement”) between TGI Fridays Franchisor, LLC (“Franchisor”), a Delaware limited liability company, and _____ (“Franchisee”), a _____, is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Amendment form an integral part of, and are incorporated into, the Franchise Agreement. This Amendment is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of Minnesota; **(B)** Franchisee is a resident of the State of Minnesota; and/or **(C)** the Restaurant will be located in the State of Minnesota.

2. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. The following sentence is added to the end of Sections 2.B.(2)(g), 18.B.(5) and 19:

Notwithstanding the foregoing, Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

4. The following sentence is added to the end of Section 2.B. and 21:

With respect to franchises governed by Minnesota law, Franchisor will comply with Minnesota Statute § 80C.14, Subdivisions 3, 4, and 5, which requires, except in certain cases, that Franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.

5. The following is added to Section 14:

Franchisor will protect Franchisee’s rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols, or indemnify Franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name. Minnesota considers it unfair to not protect Franchisee’s rights to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

6. The following is added to Sections 20.B.(2), 20.D. and 29.G.:

Notwithstanding anything to the contrary in this Section, Franchisor may seek injunctive relief; however, Franchisee cannot consent to Franchisor obtaining injunctive relief. A court will determine if a bond or security must be posted. See Minn. Rules 2860.4400J.

7. The following is added to Sections 20.D., 21.D., 29.E. and 31.N.:

Minnesota Rule 2860.4400J, among other things, prohibits Franchisor from requiring Franchisee to waive its right to a jury trial or to consent to liquidated damages or termination penalties.

8. The following sentences are added to the end of Section 29:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or Franchise Agreement can abrogate or reduce any of Franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

9. The following sentence is added to the end of Section 29.C.:

Minnesota Statute § 80C.17, Subdivision 5, provides that no action may be commenced pursuant to that Section more than three years after the cause of action accrues.

10. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Franchise Agreement.

11. Except as expressly modified by this Amendment, the Franchise Agreement remains unmodified and in full force and effect.

ATTEST:

TGI FRIDAYS FRANCHISOR, LLC

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

ATTEST:

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

**AMENDMENTS REQUIRED BY
THE STATE OF NEW YORK**

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF NEW YORK**

1. **Cover Page, Additional Disclosure.** The following statements are added to the Cover Page:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 15TH FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. **Item 3, Additional Disclosure.** The following statements are added to the end of Item 3:

Except as noted above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any

other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent

3. **Item 4, Additional Disclosure.** The following statement is added to the end of Item 4:

Except as noted above, neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. **Item 5, Additional Disclosure.** The following statement is added to the end of Item 5:

The proceeds from initial franchise fees constitute part of our general operating funds and will be used as such in our discretion.

5. **Item 17, Additional Disclosures.** The following statements are added to Item 17:

- A. The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

- B. The following language replaces the “Summary” section of Item 17(d), titled “Termination by franchisee”:

You may terminate the agreement on any grounds available by law.

- C. The following is added to the end of the “Summary” section of Item 17(j), titled “Assignment of contract by franchisor”:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement or Area Development Agreement.

- D. The following is added to the end of the “Summary” sections of Item 17(v), titled “Choice of forum”, and Item 17(w), titled “Choice of law”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16, are met independently without reference to these Additional Disclosures.

**AMENDMENT TO THE TGI FRIDAYS RESTAURANT
DEVELOPMENT AGREEMENT
REQUIRED FOR NEW YORK DEVELOPERS**

This Amendment to the TGI Fridays Restaurant Development Agreement dated _____ (“Development Agreement”) between TGI Fridays Franchisor, LLC (“Franchisor”), a Delaware limited liability company, and _____ (“Franchisee”), a _____, is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Amendment form an integral part of, and are incorporated into, the Development Agreement. This Amendment is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of New York; **(B)** Developer is a resident of the State of New York; and/or **(C)** part or all of the Territory is located in the State of New York.
2. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
3. Any provision in the Development Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 - 695 may not be enforceable.
4. Franchisor will not assign its rights under the Development Agreement, except to an assignee who in Franchisor's good faith and judgment is willing and able to assume its obligations under the Development Agreement.
5. Any provision in the Development Agreement requiring Developer to sign a general release of claims against Franchisor does not release any claim Developer may have under New York General Business Law, Article 33, Sections 680-695.
6. Franchisor's right to obtain injunctive relief exists only after proper proofs are made and the appropriate authority has granted such relief.
7. The New York Franchises Law shall govern any claim arising under that law.
8. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Development Agreement.

9. Except as expressly modified by this Amendment, the Development Agreement remains unmodified and in full force and effect.

ATTEST:

TGI FRIDAYS FRANCHISOR, LLC

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

ATTEST:

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

**AMENDMENT TO THE TGI FRIDAYS RESTAURANT
FRANCHISE AGREEMENT
REQUIRED FOR NEW YORK FRANCHISEES**

This Amendment to the TGI Fridays Restaurant Franchise Agreement dated _____ (“Franchise Agreement”) between TGI Fridays Franchisor, LLC (“Franchisor”), a Delaware limited liability company, and _____ (“Franchisee”), a _____, is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Amendment form an integral part of, and are incorporated into, the Franchise Agreement. This Amendment is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of New York; **(B)** Franchisee is a resident of the State of New York; and/or **(C)** the Restaurant will be located in the State of New York.
2. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
3. Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 - 695 may not be enforceable.
4. Franchisor will not assign its rights under the Franchise Agreement, except to an assignee who in Franchisor's good faith and judgment is willing and able to assume its obligations under the Franchise Agreement.
5. Any provision in the Franchise Agreement requiring Franchisee to sign a general release of claims against Franchisor does not release any claim Franchisee may have under New York General Business Law, Article 33, Sections 680-695.
6. Franchisor's right to obtain injunctive relief exists only after proper proofs are made and the appropriate authority has granted such relief.
7. The New York Franchises Law shall govern any claim arising under that law.
8. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Franchise Agreement.
9. Except as expressly modified by this Amendment, the Franchise Agreement remains unmodified and in full force and effect.

ATTEST:

By: _____

Print Name: _____

Title: _____

ATTEST:

By: _____

Print Name: _____

Title: _____

TGI FRIDAYS FRANCHISOR, LLC

By: _____

Print Name: _____

Title: _____

Date: _____

By: _____

Print Name: _____

Title: _____

Date: _____

AMENDMENTS REQUIRED BY
THE STATE OF NORTH DAKOTA

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF NORTH DAKOTA**

1. The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

- A. Restrictive Covenants: Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.
- B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.
- C. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
- D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
- E. Applicable Laws: Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.
- F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.
- G. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.
- H. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.
- I. Limitation of Claims: Requiring that North Dakota franchisees to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
- J. Enforcement of Agreement: Requiring that North Dakota franchisees to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

2. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Each provision of this Amendment to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota

Franchise Investment Law, N.D. Cent. Code, §§ 51-19-1 through 51-19-17, are met independently without reference to this Amendment to the Disclosure document.

**AMENDMENT TO THE TGI FRIDAYS RESTAURANT
DEVELOPMENT AGREEMENT
REQUIRED FOR NORTH DAKOTA DEVELOPERS**

This Amendment to the TGI Fridays Restaurant Development Agreement dated _____ (“Development Agreement”) between TGI Fridays Franchisor, LLC (“Fridays”), a Delaware limited liability company, and _____ (“Developer”), a _____, is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Amendment form an integral part of, and are incorporated into, the Development Agreement. This Amendment is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of North Dakota; **(B)** Developer is a resident of the State of North Dakota; and/or **(C)** part or all of the Territory is located in the State of North Dakota.
2. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
3. The following sentence is added to Section 11:

Any provision requiring Developer to release claims against Franchisor may not be enforceable under the North Dakota Franchise Investment Law.
4. The following sentence is added to the end of Section 12.C.:

Covenants not to compete are generally considered unenforceable in the State of North Dakota.
5. The following is added to the end of Sections 12.D. and 13.D.:

Any provision requiring Developer to pay liquidated damages may not be enforceable.
6. The following sentence is added to the end of Sections 20.A. and 20.B.:

Pursuant to the North Dakota Franchise Investment Law, any provision requiring Developer to consent to the jurisdiction of courts outside North Dakota or to consent to the application of laws of a state other than North Dakota is void.
7. The following sentence is added to the end of Section 20.C.:

Notwithstanding the foregoing, the statute of limitations under North Dakota law applies.
8. The following is added to Section 20.D. and 22.L.:

Any provision requiring Developer to waive its right to a jury trial or to exemplary and punitive damages may not be enforceable.
9. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Development Agreement.

10. Except as expressly modified by this Amendment, the Development Agreement remains unmodified and in full force and effect.

ATTEST:

By: _____

Title: _____

TGI FRIDAYS FRANCHISOR, LLC

By: _____

Title: _____

Date: _____

ATTEST:

By: _____

Print Name: _____

Title: _____

By: _____

Print Name: _____

Title: _____

Date: _____

**AMENDMENT TO THE TGI FRIDAYS RESTAURANT
FRANCHISE AGREEMENT
REQUIRED FOR NORTH DAKOTA FRANCHISEES**

This Amendment to the TGI Fridays Restaurant Franchise Agreement dated _____ (“Franchise Agreement”) between TGI Fridays Franchisor, LLC (“Franchisor”, “we”, or “us”), a Delaware limited liability company, and _____ (“Franchisee”), a _____, is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Amendment form an integral part of, and are incorporated into, the Franchise Agreement. This Amendment is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of North Dakota; **(B)** Franchisee is a resident of the State of North Dakota; and/or **(C)** the Restaurant will be located in the State of North Dakota.
2. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
3. The following sentence is added to Section 2.B.(2)(g), 18.B.(5) and 19:

Any provision requiring Franchisee to release claims against Franchisor may not be enforceable under the North Dakota Franchise Investment Law.
4. The following sentence is added to the end of Section 20.C.:

Covenants not to compete are generally considered unenforceable in the State of North Dakota.
5. The following is added to the end of Sections 20.D. and 21.D.:

Any provision requiring Franchisee to pay liquidated damages may not be enforceable.
6. The following sentence is added to the end of Sections 29.A. and 29.B.:

Pursuant to the North Dakota Franchise Investment Law, any provision requiring Franchisee to consent to the jurisdiction of courts outside North Dakota or to consent to the application of laws of a state other than North Dakota is void.
7. The following sentence is added to the end of Section 29.C.:

Notwithstanding the foregoing, the statute of limitations under North Dakota law applies.
8. The following is added to Section 29.D. and 31.N.:

Any provision requiring Franchisee to waive its right to a jury trial or to exemplary and punitive damages may not be enforceable.

9. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Franchise Agreement.

10. Except as expressly modified by this Amendment, the Franchise Agreement remains unmodified and in full force and effect.

ATTEST:

TGI FRIDAYS FRANCHISOR, LLC

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

ATTEST:

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

**AMENDMENTS REQUIRED BY
THE STATE OF RHODE ISLAND**

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURE
REQUIRED BY THE STATE OF RHODE ISLAND**

Item 17, Additional Disclosure. The following statement is added to Item 17:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The provision of this Additional Disclosure shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Law are met independently without reference to this Additional Disclosure.

**AMENDMENT TO THE TGI FRIDAYS RESTAURANT
DEVELOPMENT AGREEMENT
REQUIRED FOR RHODE ISLAND DEVELOPERS**

This Amendment to the TGI Fridays Restaurant Development Agreement dated _____ (“Development Agreement”) between TGI Fridays Franchisor, LLC (“Franchisor”), a Delaware limited liability company, and _____ (“Developer”) a _____, is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Amendment form an integral part of, and are incorporated into the Development Agreement. This Amendment is being executed because: **(A)** the offer or sale of the franchise to Developer was made in the State of Rhode Island; **(B)** Developer is a resident of the State of Rhode Island; and/or **(C)** part or all of the Territory is located in the State of Rhode Island.
2. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
3. The following language is added to Section 20.A. and 20.B.:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”
4. Any capitalized terms that are not defined in this Amendment shall have the same meaning given them in the Development Agreement.
5. Except as expressly modified by this Amendment, the Development Agreement remains unmodified and in full force and effect.

ATTEST:

TGI FRIDAYS FRANCHISOR, LLC

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

ATTEST:

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

**AMENDMENT TO THE TGI FRIDAYS RESTAURANT
FRANCHISE AGREEMENT
REQUIRED FOR RHODE ISLAND FRANCHISEES**

This Amendment to the TGI Fridays Restaurant Franchise Agreement dated _____ (“Franchise Agreement”) between TGI Fridays Franchisor, LLC (“Franchisor”), a Delaware limited liability company, and _____ (“Franchisee”), a _____, is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Amendment form an integral part of, and are incorporated into the Franchise Agreement. This Amendment is being executed because: **(A)** the offer or sale of the franchise to Franchisee was made in the State of Rhode Island; **(B)** Franchisee is a resident of the State of Rhode Island; and/or **(C)** the Restaurant will be located in the State of Rhode Island.
2. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
3. The following language is added to Section 29.A. and 29.B.:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”
4. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Franchise Agreement.
5. Except as expressly modified by this Amendment, the Franchise Agreement remains unmodified and in full force and effect.

ATTEST:

TGI FRIDAYS FRANCHISOR, LLC

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

ATTEST:

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURE REQUIRED BY

THE COMMONWEALTH OF VIRGINIA

**ADDITIONAL DISCLOSURE REQUIRED
BY THE COMMONWEALTH OF VIRGINIA**

In recognition of the Virginia Retail Franchising Act, as amended in 2006, 21 VAC 5-110-65.A, the Franchise Disclosure Document for use in the Commonwealth of Virginia shall be amended to include the following:

The following statements are added to Item 17.h:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of this Amendment to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently, without reference to this Amendment to the Franchise Disclosure Document.

AMENDMENTS REQUIRED BY

THE STATE OF WASHINGTON

**AMENDMENT TO THE TGI FRIDAYS RESTAURANT
DEVELOPMENT AGREEMENT
REQUIRED FOR WASHINGTON DEVELOPERS**

This Amendment to the TGI Fridays Restaurant Development Agreement dated _____ (“Development Agreement”) between TGI Fridays Franchisor, LLC (“Franchisor”), a Delaware limited liability company, and _____ (“Developer”), a _____, is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Amendment form an integral part of, and are incorporated into, the Development Agreement. This Amendment is being executed because: (A) the offer or sale of a franchise to Developer was made in the State of Washington; (B) Developer is a resident of the State of Washington; and/or (C) part or all of the Territory is located in the State of Washington.
2. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
3. In recognition of the requirements by the Washington Franchise Investment Protection Act and the Rules and Regulations promulgated thereunder (the “Act”), the Development Agreement shall be modified as follows:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the Development Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Development Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Development Agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Development Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the Development Agreement or elsewhere are void and unenforceable in Washington.

- 4. Section 22 of the Development Agreement is amended as follows:
 - a. Sections 22.A, 22.D, 22.I, and 22.J are deleted in their entirety.
 - b. The first sentence of Section 22.B is deleted in its entirety.
- 5. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Development Agreement.
- 6. Except as expressly modified by this Amendment, the Development Agreement remains unmodified and in full force and effect.

ATTEST:

TGI FRIDAYS FRANCHISOR, LLC

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

ATTEST:

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

**AMENDMENT TO THE TGI FRIDAYS RESTAURANT
FRANCHISE AGREEMENT
REQUIRED FOR WASHINGTON FRANCHISEES**

This Amendment to the TGI Fridays Restaurant Franchise Agreement dated _____ (“Franchise Agreement”) between TGI Fridays Franchisor, LLC (“Franchisor”), a Delaware limited liability company, and _____ (“Franchisee”), a _____, is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Amendment form an integral part of, and are incorporated into, the Franchise Agreement. This Amendment is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of Washington; **(B)** Franchisee is a resident of the State of Washington; and/or **(C)** the Restaurant will be located in the State of Washington.
2. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
3. In recognition of the requirements by the Washington Franchise Investment Protection Act and the Rules and Regulations promulgated thereunder (the “**Act**”), the Franchise Agreement shall be modified as follows:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Franchise Agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

- 4. Section 31 of the Franchise Agreement is amended as follows:
 - a. Sections 31.A, 31.E, 31.K, and 31.L are deleted in their entirety.
 - b. The first sentence of 31.B is deleted in its entirety.
- 5. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Franchise Agreement.
- 6. Except as expressly modified by this Amendment, the Franchise Agreement remains unmodified in full force and effect.

ATTEST:

TGI FRIDAYS FRANCHISOR, LLC

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

ATTEST:

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

EXHIBIT M
CENTER OF EXCELLENCE CRITERIA



COE Criteria 2022:

Team Members:

1. Restaurant Stability:
 - a. GM in place for a minimum of 3 months.
 - b. 75% of Managers in place in COE location for a minimum of 3 months, with the recommendation that managers transferred to the COE location have prior Fridays Restaurant management experience.
 - c. Restaurant is using approved recruiting and hiring process to ensure the restaurant is appropriately staffed.
 - d. Hourly Team Member turnover rate of 85% or lower.
2. Training:
 - a. Restaurant has the appropriate amount of validated Coaches (validated via a Great Coach Workshop) to cover all hourly training needs as well as the additional training needs for MIT's. (This number will be determined based on staffing pars).
 - b. GM and Management Team demonstrates a commitment to the training program and systems as evidenced through observation and questioning by Brand Excellence Manager (BEM) and/or Franchise Business Director (FBD).
 - i. Review Orientation and New Hire Training Reports in Stripes U to ensure standards are met. *Purpose of this review is to ensure team can speak to onboarding and new hire standards.*
 - ii. MI and/or any other promotional Training Materials are present and being used by Team Members (when applicable). *Review Brand Standards Audit as supporting documentation.*

Operational Excellence:

1. Financial Acumen
 - a. Restaurant has maintained profitability for a minimum of 3 consecutive months.
2. Scorecard Criteria
 - a. Restaurant has achieved Gold standard for at least one cycle.
 - b. Once validated, restaurant must finish every cycle with a Gold Status.

Culture:

1. Restaurant exhibits the Fridays Culture and Credo.
 - a. Managers and Team Members can name and define at least one philosophy/theory.
 - b. Observe Team Member behaviors to confirm teamwork is present: Team Members are running each other's food/drinks, Line Cooks are assisting each other on the line to ensure cook times meet company standards, etc.
2. Restaurant exhibits a culture of coaching and learning.
 - a. Observe Managers coaching and correcting behaviors on shift. *
 - b. Observe Team Members coaching and correcting other Team Members during shift. *

** Preferably using Tell, Show, Do Review, Coaching Model and FAST Feedback*

Status of COE Location will be reviewed quarterly and any opportunities identified and reviewed; Re-validation occurs annually. All COE validations are approved by a corporate Brand Excellence Manager.

DISCLAIMER: The content within this document presents criteria for a TGI Fridays restaurant. Franchisees may include additional requirements and are encouraged to communicate these requirements to their respective franchise operations representative prior to beginning 2022 validations.

EXHIBIT N

GIFT CARD PARTICIPATION AGREEMENT

**GIFT CARD PROGRAM
PARTICIPATING FRANCHISEE AGREEMENT**

This Gift Card Program Participating Franchisee Agreement ("**Participation Agreement**") is entered into this ____ day of _____, 20__, to be effective as of _____, 20 __, by and between _____ ("**Participating Franchisee**"), located at _____, a franchisee of TGI Fridays Franchisor, LLC ("**Franchisor**") owning and operating the TGI Fridays restaurant(s) ("**Restaurant(s)**") listed in Attachment A and such other Restaurants as franchisee may open and operate hereafter, and TGI Friday's of the Rockies, Inc., a Colorado corporation ("**TGIF**").

WHEREAS, Bank of America Merchant Services, LLC, a Delaware limited liability company ("**BAMS**") and TGIF have entered into a Premium Gift Card Processing Addendum to Master Services Agreement dated December 20, 2017 attached hereto as Exhibit A and incorporated herein by reference ("**Gift Card Processing Agreement**"), for the implementation of TGIF's branded Program as defined in the Gift Card Processing Agreement and as may be specified in the Franchisor's Manuals or otherwise. First Data Merchant Services, LLC has succeeded BAMS as to all rights, duties, and obligations under the Gift Card Processing Agreement ("**First Data**"). Participating Franchisee agrees that future amendments, agreements or renegotiation of the Gift Card Processing Agreement shall automatically be incorporated herein as if fully set forth herein;

WHEREAS, TGIF requires that, in order for Participating Franchisee to enjoy the benefits and obligations of the Gift Card Processing Agreement and to be able to sell and redeem Cards in the Program, Participating Franchisee must enter into this Participation Agreement; and

WHEREAS, Participating Franchisee has agreed to sign this Participation Agreement, thereby becoming a "**Participating Franchisee**" as defined in the Gift Card Processing Agreement.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration as set forth in the Gift Card Processing Agreement, Participating Franchisee agrees:

1. That it has received a copy of the Gift Card Processing Agreement, has accepted all the terms and conditions thereof which relate to Participating Franchisees, and shall be bound thereby.
2. To honor valid TGIF Cards presented at its Restaurants according to the terms of the TGIF Program as communicated by TGIF from time to time.
3. To notify First Data of Participating Franchisee's interpretation of the law as it relates to Cards issued in connection with the Restaurants listed in Attachment A.
4. To comply with and be bound by applicable laws and the regulations of the National Automated Clearing House Association ("**ACH**") regarding any bank account(s) required under this Participation Agreement.
5. That amounts due and owing from Participating Franchisee to First Data in connection with the Program will be automatically debited from Participating Franchisee's designated bank account(s) by ACH. Participating Franchisee understands and agrees that First Data is acting as settlement agent for Participating Franchisee and other franchisees participating in the Program for the settlement of Card redemptions between the Program account(s) for amounts due to and/or from

Participating Franchisee for redemptions of Cards. In order to set up the ACH settlement process, Participating Franchisee will complete and sign an ACH Credit and Debit Authorization as attached hereto as Attachment B, and will send the original ACH Credit and Debit Authorization to Participating Franchisee's bank and a copy to TGIF.

6. That by activating a Card, Participating Franchisee warrants that it shall maintain the necessary funds to cover the obligation created thereby. Participating Franchisee will provide updated information and forms as requested by TGIF and/or First Data, including such information and forms as needed for any new locations opened by Participating Franchisee.
7. That in the event Participating Franchisee closes any Restaurant(s), Participating Franchisee acknowledges that its obligations under this Participation Agreement, including but not limited to the liability for unfunded obligations, survive the expiration or termination of the franchise agreement relating to such closed Restaurant(s).
8. To maintain the ACH bank account associated with any closed Restaurant(s) active within the Program and fund the liability associated with Cards issued at or from such Restaurant(s) until all such cards have been redeemed.
9. That a Pool may be created through the Fridays Marketing Advisory Council (**FMAC**) to cover failed ACH transactions associated with the Program and Participating Franchisee agrees to fund its pro-rata share of assessments necessary to fund the Pool.
10. That First Data and/or TGIF may make withdrawals from the Pool, including withdrawals to cover the penalty per returned ACH, for purposes of facilitating and ensuring the timeliness of ACH transactions in the event of a shortage in any Consortium bank account within the Cash Card Program.
11. TGIF has the right to collect from the Participating Franchisee any and all amounts, including amounts assessed as penalties for returned ACH transactions and daily penalties, in order to replenish Participating Franchisee's share of the Pool.
12. That in the event Participating Franchisee is in a deficit position with respect to its financial obligations under the franchise agreement, the Program or the Pool, First Data and/or TGIF may: (a) place a hold on any credits due Participating Franchisee; (b) prevent Participating Franchisee from activating additional Cards; (c) refuse to ship additional Cards and Card Carriers to Participating Franchisee, (d) re-possess any Cards and Card Carriers not yet activated by Participating Franchisee, (e) pursue collection through legal means, and/or (f) avail themselves of any other right or remedy available by law or equity.
13. That in the event Participating Franchisee fails to perform its obligations hereunder or otherwise in relation to the Program, Participating Franchisee agrees that in addition to any remedies set forth herein, TGIF and/or Franchisor may exercise any and all remedies available pursuant to the terms of each franchise agreement for the Restaurant(s).
14. That in the event another participating franchisee declares bankruptcy or is otherwise incapable of funding its obligations relating to the Pool, the FMAC may fund the Pool to cover the unfunded obligations of such defaulting franchisee and TGIF and/or Franchisor may take such remedial

measures as reasonably necessary to replenish the Pool or the FMAC by, among other things, imposing an additional fee on each new Card activation or imposing a flat fee per Participating Franchisee, or such other measures TGIF and/or Franchisor deem reasonable and equitable in the circumstances.

15. Participating Franchisee is responsible for payment of a monthly transaction fee for each Restaurant as set out in Exhibit A to the Gift Card Processing Agreement, shown thereon as the "Monthly fee Per Location", to First Data which fees will be invoiced monthly directly by First Data.
16. Each of Franchisor, TGIF, and Participating Franchisee (each, a "**Party**") represents and warrants to the other party ("**Counterparty**") that such Party is not a party with whom the Counterparty is prohibited from doing business pursuant to the regulations of the Office of Foreign Assets Control ("**OFAC**") of the U.S. Department of Treasury, including those parties named on OFAC's Specially Designated Nationals and Blocked Persons List. Each Party represents, warrants, and covenants that it is currently in compliance with, and shall at all times during the franchise agreement(s) term remain in compliance with, the regulations of OFAC and any other governmental requirement relating thereto. In the event of any violation of this Section 16 by a Party, the Counterparty shall be entitled to immediately terminate this Participation Agreement and the franchise agreement(s) and take such other actions as are permitted or required to be taken under law or in equity. EACH PARTY SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS ITS COUNTERPARTY FROM AND AGAINST ANY AND ALL CLAIMS, DAMAGES, LOSSES, RISKS, LIABILITIES AND EXPENSES (INCLUDING ATTORNEYS' FEES AND COSTS) INCURRED BY SUCH COUNTERPARTY ARISING FROM OR RELATED TO ANY BREACH OF THE FOREGOING CERTIFICATIONS. These indemnity obligations shall survive the expiration or earlier termination of this Participating Agreement and the franchise agreement(s).

[signature page follows]

IN WITNESS WHEREOF, this Participation Agreement has been executed on the date first above written.

PARTICIPATING FRANCHISEE:

ENTITY NAME

By: _____

Name: _____

Title: _____

TGIF:

TGI FRIDAY'S OF THE ROCKIES, INC.

By: _____

Name: _____

Title: _____

EXHIBIT A

GIFT CARD PROCESSING AGREEMENT

Exhibit A

Locations
TGIF / Franchisee
PARTICIPATION AGREEMENT

ATTACHMENT A
Restaurant List

<u>NO.</u>	<u>RESTAURANT NAME</u>	<u>ADDRESS</u>	<u>CITY</u>	<u>STATE</u>	<u>ZIP</u>	<u>PHONE NO.</u>

Attachment A

Locations
TGIF / Franchisee
PARTICIPATION AGREEMENT

ATTACHMENT B

ACH CREDIT AND DEBIT AUTHORIZATION

AUTHORIZATION TO HONOR ACH ELECTRONIC CREDIT AND DEBIT BY AND TO

(Franchisee)

By providing the information requested below and signing this ACH Credit and Debit Authorization, the Participating Franchisee hereby agrees that all statements made in this form are true and correct.

Store #(s): _____

Address: _____

Phone #: _____

Bank Name: _____

Account No.: _____

Account Title: _____

ABA Routing No.: _____

Bank ID: _____

Signature of Authorized Representative: _____

Printed Name: _____

Title: _____

Date: _____

Attachment B

Locations
TGIF / Franchisee
PARTICIPATION AGREEMENT

PREMIUM GIFT CARD PROCESSING ADDENDUM TO MASTER SERVICES AGREEMENT

This Premium Gift Card Processing Addendum ("Gift Card Addendum"), dated as of 12/20, 2017 ("Effective Date"), is between Banc of America Merchant Services, LLC, a Delaware limited liability company ("BAMS"), and TGI FRIDAY'S OF THE ROCKIES, INC. ("CLIENT"), A WHOLLY OWNED SUBSIDIARY OF TGI FRIDAY'S INC. . For convenience, BAMS and CLIENT are referred to herein individually as a "Party", or collectively as the "Parties". The terms of the Master Services Agreement ("MSA") between BAMS and CLIENT dated as of 12/20, 2017 are incorporated herein, and the parties hereto agree to be bound by such terms.

WHEREAS, CLIENT desires to make stored value cards available for sale or other distribution to its customers, which customers can then use to purchase goods and services; and

WHEREAS, BAMS owns and operates a closed loop gift card platform and database that stores specific information relative to each such card and provides authorization of transactions based on the current value of such cards and related services and reports; and

WHEREAS, the Parties desire to establish a stored value card program pursuant to the terms and conditions specified in this Gift Card Addendum for which BAMS will provide data processing and related services at the rates, terms and conditions specified in this Gift Card Addendum.

NOW, THEREFORE, In consideration of the foregoing premises and the mutual representations, covenants and agreements contained in this Gift Card Addendum, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

1. Structure; Order of Precedence.

This Gift Card Addendum contains the base terms that will apply to the Services that BAMS provides to CLIENT. Terms relating to specific services and products related to the Services or the Program may be set forth in schedules or exhibits that are attached to this Gift Card Addendum. If any provision of any exhibit or addendum to this Gift Card Addendum conflicts with a provision of this Gift Card Addendum, the provision of the exhibit or addendum will control. The terms contained in a particular exhibit or addendum will apply exclusively to the services, products, or transactions described in the exhibit or addendum and will have no effect on any other exhibit or addendum, unless expressly stated otherwise.

2. **Definitions.** For the purposes of this Gift Card Addendum, the following terms have the meanings set forth below; certain other terms are defined elsewhere in this Gift Card Addendum and are used with the meanings there ascribed to them.

"Affiliate" means, with respect to either Party, a legal entity which directly or indirectly owns, controls, is owned by, or is under common ownership or control with a Party. For this purpose, control means the power, whether by ownership of voting securities, by contract or otherwise, to direct the management and operations of an entity.

"Affiliated Issuer(s)" means any CLIENT Affiliate, licensee or franchisee, based in the United States that the Parties authorize to issue Cards pursuant to the Program.

"Applicable Law" means any federal, state or local law, rule or regulation and any official interpretation thereof relating to the Cards, the Program, the Parties, or the subject matter of this Gift Card Addendum.

"Card" means either a CLIENT-issued stored value card or other form factor with a magnetic stripe or bar code or contactless chip which accesses Card Data or a CLIENT-issued virtual account that similarly accesses Card Data.

"Card Authorization Equipment" means all POS devices, telecommunications facilities, interfaces and other equipment required to electronically transmit Card transaction data from Designated Locations to BAMS.

"Card Data" is the transaction record and current value of each Card recorded in the Database.

"Cardholder" means any person possessing or using a Card or Card number.

"Card Company" means a company selected and retained by BAMS to produce Cards for the Program.

"Certification" means the process by which BAMS and CLIENT conduct a complete test of the Program, including the connectivity between CLIENT's Card Authorization Equipment and the Database, and the proper functionality of all transactions pursuant to BAMS's Specifications and as set forth in the Statement of Work throughout the implementation.

"Claim" means, for indemnity purposes under this Gift Card Addendum, any claims, actions, suits or regulatory proceedings

against an Indemnified Party, and all costs (including reasonable attorneys' fees), damages, interest and liabilities assessed against or incurred by the indemnified Party resulting from such claim, action, suit, or regulatory proceeding.

"Confidential Information" includes this Gift Card Addendum and any information obtained by one Party ("Recipient") regarding the other Party ("Disclosing Party") or their respective businesses, including all systems, processes, business information and pricing relating to processing products and services; current and pro forma financial statements; forecast profit and loss plan; forecast cash flow plan; current and future investors; flow of payment transactions through internal systems; technical data and documentation, strategic planning, product/service Specifications, prototypes, computer programs, databases, drawings, models, marketing data, card data and any other tangible manifestation of the foregoing which now exist or come into the control or possession of the other Party that is marked or identified as confidential or is of a type that would be reasonably perceived to be confidential or proprietary information.

"Consortium" means a systematic method in BAMS's systems used to separate out Card program outstanding liability associated with Cards issued through a particular Program, for reporting purposes, and to identify separate companies, so that these entities can perform transactions on a given set of Cards.

"Consumer" means any person that purchases a Card from CLIENT pursuant to the Program established in this Gift Card Addendum. A Consumer may be the same person as a Cardholder, or the Consumer may be a third party that gives a Card to the ultimate Cardholder.

"Contract Year" means the twelve (12) month period commencing on the Start Date, and each anniversary thereof throughout the Term of this Gift Card Addendum.

"CLIENT Selected Card Company" means a company selected and retained by CLIENT to produce Cards for the Program in accordance with BAMS's specifications.

"Database" is the information repository systems and software owned and operated by BAMS or its suppliers.

"Designated Location" is any place (including a store, direct marketing program or Internet site) where CLIENT, a CLIENT Affiliate, a Participating Franchisee of CLIENT (if any), or a third party aggregator or distributor designated by the Parties sells Cards to Consumers, or accepts transactions from Cardholders redeeming Cards, or authorizes others to sell or redeem Cards.

"Force Majeure Event" means labor disputes, strikes, acts of God, floods, lightning, severe weather, shortages of materials, rationing, utility or communication failures, failure or delay in receiving electronic data, earthquakes, war, acts of terrorism, revolution, civil commotion, acts of public enemies, blockade, embargo, or any law, order, proclamation, regulation, ordinance, demand, or requirement having legal effect of any government or any judicial authority or representative of any such government, or any other event or cause whatsoever, whether similar or dissimilar to those referred to in this definition, which are beyond the reasonable control of a Party.

"Intellectual Property Rights" or "IP" means all forms of intellectual property rights and protections that have arisen or may arise in the future, or that have been obtained or may be obtained in the future, under the common law or statutory law of any state of the United States or under United States federal common or statutory law, including all right, title, and interest arising in all: (a) issued patents and any divisions, reissues, re-examinations, substitutes, continuations, continuations-in-part, or extensions of patents; (b) filed, pending, or potential applications for patents or for any divisions, reissues, re-examinations, substitutes, continuations, continuations-in-part, or extensions of patents; (c) trade secrets and trade secret rights; (d) copyrights (including print versions, electronic versions, and derivative works) and other literary property or authors' rights, whether or not protected by copyright or as a mask work; and (e) proprietary trademarks, trade names, symbols, logos, tag-lines, or brand names.

"Interfaces" means any POS, internet, and report and file exchange messaging or data layout interfaces.

"IP Infringement Claim" means any Claim made or brought by a third party and alleging an infringement of the third party's Intellectual Property Rights that occurred while this Gift Card Addendum is or was in effect.

"Participating Franchisee" means any CLIENT franchisee (if any) that CLIENT has approved to initiate Authorizations on Cards pursuant to the Program Procedures, subject to CLIENT's supervision and control.

"POS" is a stand-alone or integrated point of sale terminal (including its operating software), device or system certified to BAMS specifications in order to be able to process on-line transactions with Cards under the Program.

"Program" means the stored value card program established and administered by CLIENT, supported by the Services provided by BAMS pursuant to the terms and conditions specified in this Gift Card Addendum.

"Program Procedures" means the processes and procedures by which CLIENT issues Cards and enables use of Cards at Designated Locations, including those relating to the selling and accepting of Cards, handling merchandise returns and/or refunds, assessing service fees, and resolving disputes with Cardholders.

"Re-certification" means an additional Certification process in the event that CLIENT makes any changes to its Card Authorization Equipment following the initial Certification of its Program.

"Services" means the services provided by BAMS in connection with the Program as further described in this Gift Card Addendum.

"Specifications" means the specifications of BAMS's proprietary closed loop gift card platform and transaction processing system, including any settings, Interfaces or software related thereto.

"Start Date" means the first day of production processing, as determined by BAMS's implementation project timeline and as mutually agreed by the Parties in the applicable Statement of Work.

"Statement of Work" means the document prepared by the mutual efforts of the Parties throughout the implementation project phase that contains the detailed functional Program requirements and operating information.

"System" means the proprietary closed loop gift card platform(s) and transaction processing system, including any Interfaces or related software, that is used by BAMS to provide the Services.

"Terms and Conditions" means CLIENT's terms and conditions governing Cardholders' use of Cards and other required disclosures.

3. **BAMS Program Responsibilities.** BAMS will provide the following Services in connection with the Program:

- A. **Program Implementation.** Upon execution of this Gift Card Addendum by both Parties, BAMS will start the development and implementation of the Program according to the specifications in the Statement of Work as established during the implementation project phase. The Parties will jointly endeavor to begin distribution and commercial sales of Cards by the Start Date specified in this Gift Card Addendum. The Parties may amend the Statement of Work and adjust the Start Date by mutual agreement.
- B. **Card Production.** BAMS will select and arrange for a Card Company to produce all Cards and all related items, including Card carriers, in accordance with Exhibit A. BAMS and CLIENT will complete a BAMS card order form, including, among other information, the number of Cards CLIENT wishes to order, and the specifications thereof. If CLIENT elects to retain a CLIENT Selected Card Company, BAMS will charge CLIENT a Card Management Fee in accordance with Exhibit A for each Card account established on the Database. Additionally, in connection with its use of the CLIENT Selected Card Company: (i) CLIENT will request, in writing, from BAMS the quantity of Card account numbers to be provided; (ii) Cards obtained by CLIENT directly from a CLIENT Selected Card Company must satisfy minimum compatibility standards, including BAMS's technical specifications; (iii) CLIENT will facilitate obtaining from CLIENT Selected Card Company a nondisclosure agreement between BAMS and CLIENT Selected Card Company with respect to any data or information provided by BAMS to CLIENT Selected Card Company, and until such nondisclosure agreement is signed by CLIENT Selected Card Company, BAMS will have no obligation to provide any data or information to CLIENT Selected Card Company, and BAMS will not be responsible for any resulting Card production delays or failures; and (iv) CLIENT will bear all risk of loss with respect to those Cards acquired by CLIENT directly from CLIENT Selected Card Company.
- C. **Database; Card Data.** BAMS will maintain a Database of Card Data to support the Program. Card Data will be retained on the Database for twenty four (24) months following the earlier of Card expiration (if applicable) or the date the Card balance reaches zero. At the end of such period, BAMS may remove the Card Data and all transactional history corresponding to such Card Data from the BAMS Database and archive such data in any manner reasonably determined by BAMS. As between the Parties, CLIENT will own the right, title and interest in all Card Data generated under the Program. Notwithstanding the foregoing, BAMS and its Affiliates may use and disclose any compilation or aggregation of any Card Data so long as such compiled or aggregated Card Data do not specifically relate to and are identifiable with CLIENT or any specific Card transaction.
- D. **Authorization.**
 - (1) BAMS will respond to transaction authorization requests from Card Authorization Equipment and process transactions received at BAMS's data processing center in BAMS's designated format (each an "Authorization"). BAMS will not be responsible for determining whether Card transactions are fraudulent, improper or otherwise

unauthorized.

(2) Authorizations will be based on the available Card balance recorded in the Database. In the event that a deficiency between a transaction price and the Authorization is not collected from a Cardholder at the point of sale, CLIENT will be responsible for obtaining any outstanding balance from Cardholder.

- E. **IVR; Call Center.** BAMS will operate an automated interactive voice response system ("IVR") accessible from the U.S. through a toll free telephone number, or other means, twenty-four (24) hours per day, seven (7) days per week, for the processing of mutually agreed transactions. BAMS will also staff a call center with live operators twenty-four (24) hours per day, seven (7) days per week (Christmas Day excluded), for the processing of mutually agreed transactions.
- F. **Web-Based Support Tool.** BAMS will provide CLIENT access to its web-based support tool applications, the Prepaid Business Center ("PBC") and the Reporting Portal. Access to the PBC and the Reporting Portal is granted only to the CLIENT and not any third parties. The PBC and the Reporting Portal are BAMS web-hosted browser-based applications that are accessible through an Internet connection with minimum component requirements. BAMS will provide up to ten (10) active user profile identifications to CLIENT and CLIENT may make available such identifications to its employees, representatives and agents for use; provided, however, BAMS will have no responsibility arising out of or related to CLIENT's and its employees', representatives' and agents' use of such identifications or any disclosure to, or use by, third parties of such user identifications by CLIENT or its employees, representatives or agents.
- G. **Reporting.** BAMS will provide CLIENT with the reports included in the Classic Report Package at no charge, as set forth in Exhibit A. All Premium Reports or any custom reports, as requested in writing by CLIENT, will be available at the fees that are also set forth in Exhibit A.
- H. **Enhancements.** BAMS may make product, service and System developments, enhancements, improvements and modifications ("Enhancements") available to its customers from time to time. In the event that CLIENT wishes to utilize such an Enhancement, CLIENT will be responsible for making any necessary modifications to the Card Authorization Equipment, including upgrading the equipment to the most recent version of BAMS's Specifications. CLIENT acknowledges and agrees that Enhancements provided by BAMS shall remain the sole and exclusive property of BAMS, unless otherwise agreed by the Parties in a written amendment to this Gift Card Addendum, and shall be protected as Confidential Information.
- I. **CLIENT-Requested Enhancements.** At CLIENT's request, the Parties may mutually agree to the custom development of a CLIENT-specific product, service, and System enhancement or modification (each a "Custom Development") related to the Program, subject to the Custom Development and Implementation fees specified in Exhibit A or such alternative fees as the Parties may agree in writing. Any such Custom Development by BAMS, and all rights to any software, code, technology or information related thereto or developed in connection therewith, will not be deemed works for hire and will remain the sole property of BAMS, except as otherwise expressly provided in a written amendment to this Gift Card Addendum.
- J. **Consortium Development.** BAMS will develop and establish a single Consortium to support financial settlement and reporting for the Program. CLIENT may request that BAMS establish additional consortiums on the Database, such as commercial cross-consortiums with third parties or for program separation of multiple participating CLIENT brands. Each additional Consortium requested by CLIENT will be treated as a Custom Development under Section 3(J) of this Gift Card Addendum and will be subject to additional fees.
- K. **Service and Dormancy Fees; Expiration Dates.** If directed by CLIENT, BAMS will configure the Database so that it will periodically deduct a predetermined fee from Card accounts and/or systemically deactivate Card accounts after a certain period of time. The determination of whether to include such a fee or expiration date, and the specific terms and conditions thereof, will be made solely by CLIENT. In the event that BAMS deems any such configurations to be unlawful, BAMS reserves the right to deny the request.
- L. **Third Party Transaction Provider Services.** BAMS will provide CLIENT with the Third-Party Transaction Provider Services specified in Addendum 1 to this Gift Card Addendum.
- M. **Settlement and Funds Movement.** BAMS will provide CLIENT with the Settlement and Funds Movement Services specified in Addendum 2 to this Gift Card Addendum.
- N. **Business Intelligence Reporting Tool.** BAMS will provide CLIENT with the Business Intelligence Reporting Tool specified in Addendum 3 to this Gift Card Addendum.

4. CLIENT Responsibilities.

- A. **Distribution.** CLIENT will actively promote the Program to prospective customers and/or distributors, and will take commercially reasonable steps to begin distributing and selling Cards at Designated Locations no later than the Start Date.
- B. **Card Authorization Equipment.** CLIENT will: (i) provide and maintain all Card Authorization Equipment that is required for CLIENT to electronically transmit Card transaction data from Designated Locations to the System; and (ii) perform any development, programming or other modifications to the Card Authorization Equipment and associated software that is necessary for CLIENT to access the System and use the Services. The Parties will certify the Card Authorization Equipment for functionality prior to Program launch. CLIENT is responsible for ensuring that any future changes to Card Authorization Equipment remain compatible with the Specifications and resolving any related technical issues. CLIENT will be responsible and will hold BAMS harmless from any liability resulting from any delays caused by the incompatibility of Card Authorization Equipment with the Specifications.
- C. **Issuance of Cards.** CLIENT will be the issuer of all Cards issued under the Program, with respect to all Cards that are sold at Designated Locations. CLIENT will inform Cardholders in writing of the Terms and Conditions containing information as required by Applicable Law, including without limitation, any fees or charges associated with Card transactions or Inactivity, procedures to report lost or stolen Cards (if any), minimum or maximum transaction amounts, the CLIENT's policy concerning whether lost or stolen Cards will be replaced, whether the Card is redeemable for cash, and any expiration period for the Card. CLIENT will provide the Terms and Conditions to Cardholders at Designated Locations, or in such manner as required by law or regulation.
- D. **Program Procedures.**
 - (1) CLIENT will be solely responsible for defining and implementing the Program Procedures, as well assuring that the Program Procedures comply with the Specifications.
 - (2) CLIENT will be solely responsible for, assuring that the Program Procedures and the Terms and Conditions comply with Applicable Law on an on-going basis.
 - (3) CLIENT will be solely responsible for training CLIENT employees and Participating Franchisees regarding the Program Procedures, as well as supervising their compliance.
 - (4) CLIENT will coordinate with BAMS in implementing the Program and in performing the Services hereunder. CLIENT assumes liability for any disputes relative to the content of its Program Procedures or the manner in which its Program Procedures are executed by CLIENT or, alternatively, by BAMS in accordance with CLIENT's instructions. CLIENT is responsible for taking measures to prevent or reduce fraud in connection with its Program.
- E. **Participating Franchisees.** CLIENT will be responsible for gathering and providing to BAMS settlement banking information (if applicable) and location details, including POS information, for any Participating Franchisees that CLIENT permits to join the Program pursuant to the Program Procedures.
- F. **Monthly Reconciliation; Settlement.** CLIENT will reconcile BAMS's daily reports to its own records and make necessary adjustments to Card accounts. CLIENT will be responsible for settlement of funds among Designated Locations (as applicable to Program setup), unless CLIENT elects to use BAMS's Settlement and Funds Movement Services pursuant to this Gift Card Addendum. BAMS will have no liability for errors resulting from CLIENT's actions in performing such reconciliations and settlements.
- G. **Risk of Loss.** For Cards, Card Carriers and any other tangible items ordered through BAMS (including Cards and other items produced by any Card Company), CLIENT assumes the risk of loss for Cards upon their delivery to CLIENT from BAMS or the applicable Card Company (except that CLIENT has all risk of loss, before and after delivery, for any improper or unauthorized use of pre-activated Cards). CLIENT will be responsible for all risk of loss to any tangible item that CLIENT orders from any other third parties, including any CLIENT Selected Card Company.

5. **Affiliated Issuers.**

- A. Upon mutual agreement of the Parties, BAMS will provide Services to any Affiliates of CLIENT that wish to issue separate Cards under the Program, and operate as Affiliated Issuers. CLIENT will be responsible for ensuring that all Affiliated Issuers comply with the terms and conditions of this Gift Card Addendum. CLIENT is responsible for gathering and providing to BAMS settlement banking information (if applicable) and location details, including POS information, for any Affiliated Issuer that participates in the Program.
- B. As agreed upon by BAMS and CLIENT in accordance with this Section, CLIENT will pay to BAMS all costs associated

with the implementation of each Affiliated Issuer on the Database. CLIENT will provide to BAMS sufficient information relating to each Affiliated Issuer to enable BAMS to prepare and present to CLIENT for its approval an estimate of the costs to CLIENT of implementing such Affiliated Issuer on the Database and the estimated time to complete such implementation. Once CLIENT has approved such estimate in writing, BAMS will commence the applicable implementation. BAMS will have no obligation to commence work on any implementation prior to receiving CLIENT's written approval of the estimated costs and time for such implementation. In the event such participant ceases or otherwise fails to be an Affiliated Issuer, such entity's participation in the Program will immediately terminate, and CLIENT will promptly notify BAMS of the same.

6. **Use of CLIENT Trademarks.** Subject to the indemnities provided in Section 15, CLIENT may provide BAMS with CLIENT's trademarks, service marks, or other materials ("CLIENT Materials") for placement on Cards and related materials. In such event, CLIENT authorizes BAMS to provide such materials to a Card Company in accordance with CLIENT's instructions. CLIENT represents that it has all necessary rights to grant such authority. BAMS acknowledges that CLIENT and its Affiliates are the sole owners of the CLIENT Materials and of the goodwill associated therewith, and that neither BAMS nor a Card Company acquires any right, title, interest or claim of ownership in or to the CLIENT Materials, except for the limited purpose of use in connection with Cards and related materials in the Territory pursuant to CLIENT's instructions. Neither BAMS nor a Card Company will represent to the public or any third party that it has any right, title, interest or claim of ownership in the CLIENT Materials or in any registration thereof and shall not attempt to register any CLIENT Materials alone or as part of another trademark or copyright in any jurisdiction. Neither BAMS nor a Card Company will, during the Term or thereafter, contest CLIENT's or its Affiliates' ownership of the CLIENT Materials or attack the validity or distinctiveness of any CLIENT Material. All use of the CLIENT Materials and goodwill associated therewith shall inure to the sole benefit of CLIENT and its Affiliates.

7. **Use of the Specifications.**

- A. Subject to the indemnities provided in Section 15, BAMS will provide CLIENT with the Specifications, as well as changes to its Specifications, new releases, and copies thereof on the Database. All right, title and interest in and to all Specifications will remain with BAMS or its suppliers and no title is transferred to CLIENT or to any CLIENT Selected Card Company designated by CLIENT.
- B. BAMS grants CLIENT a limited, nonexclusive, nontransferable license during the Term of this Gift Card Addendum to use the Specifications solely to perform its Program obligations, including the right to develop a software interface between the Specifications and CLIENT's Card Authorization Equipment.
- C. CLIENT will not copy, modify, distribute, display, rent, reverse engineer, decompile, create derivative works of, or disassemble the Specifications, nor will CLIENT allow any other party to do so, except to the extent necessary for CLIENT to perform its responsibilities under this Gift Card Addendum or as permitted by Applicable Law. CLIENT acknowledges that the Specifications are proprietary to BAMS, and will be protected as Confidential Information subject to Section 9. CLIENT will not alter, remove, modify or suppress any notices in the Specifications.

8. **Fees; Payment.** CLIENT agrees to pay the fees set forth in Exhibit A and in any service-specific addendums to this Gift Card Addendum.

- A. **Payment Terms** Invoices are due and payable within thirty (30) days of invoice date. All amounts payable hereunder will be paid in U.S. currency. Past due amounts for undisputed invoices will be subject to interest at the rate equal to the lesser of ten percent (10%) per annum or the maximum rate permitted by Applicable Law.
- B. **Payment of Taxes and Other Charges.**
 - (1) The fees set forth in Exhibit A do not include any such federal, state or local taxes, however designated, which may be levied on Services and/or on the purchase of Cards.
 - (2) CLIENT will promptly pay BAMS for all taxes and similar charges which are imposed by any governmental authority in connection with BAMS's fulfillment of its obligations under this Gift Card Addendum, whether BAMS has already paid the taxes or other charges on behalf of CLIENT or whether BAMS is required to collect and pay them.
 - (3) CLIENT authorizes BAMS to calculate the total amount of applicable taxes, as well as all other customs, duties, fees or other charges imposed by a governmental authority arising out of or incidental to this Gift Card Addendum, that are due from CLIENT under this Gift Card Addendum. CLIENT will provide BAMS with all information necessary for BAMS to compute and remit the taxes (including any tax exempt certificate, claim letter, or other documentation). BAMS will then remit the taxes to the appropriate taxing authority on behalf of CLIENT, based on the information available to BAMS. If BAMS under-calculates or over-calculates any taxes, as a result of information provided by CLIENT, CLIENT will be responsible for promptly paying any shortfalls (including

penalties or interest) and for collecting any refunds from the appropriate taxing authority. However, BAMS will be responsible for any underpayment penalty to the extent the underpayment results from BAMS's negligence.

- (4) The obligation in this Section 8 does not apply to income taxes payable by BAMS on amounts earned by BAMS or property taxes payable by BAMS on property owned by BAMS.
- C. **Invoice Disputes.** If a bona fide dispute exists regarding an invoice, CLIENT will promptly notify BAMS and pay the undisputed portion in accordance with this Section. Billing disputes not resolved within ninety (90) days will be resolved in accordance with Section 12. If it is ultimately determined that CLIENT owes BAMS the disputed portion of an invoice, then CLIENT will pay the amount of the disputed portion plus interest in accordance with this Section from the due date of the disputed invoice.
- D. **Fee Adjustments.** i) Card fees are subject to pass through adjustment related to any increases in the fees or rates charged to BAMS for PVC, laminate and magnetic stripe materials; royalties; or any other uncontrolled costs, at any time, to the extent of any Card Company rate adjustment; and (ii) telecommunications fees may be adjusted in the event of a rate change by BAMS's underlying telecommunications providers.
9. **Confidentiality.** Each Party agrees, both during and after the Term of this Gift Card Addendum, to hold the Confidential Information of the other Party in the strictest confidence.
- A. **Confidentiality Obligations.** Except as expressly authorized by the prior written consent of the Disclosing Party, the Recipient will (i) limit access to any Confidential Information received by it to its directors, officers, employees, agents, consultants, representatives, or subcontractors ("Representatives") who have a need-to-know in connection with the performance of the Recipient's obligations under this Gift Card Addendum, or the enforcement of Recipient's rights under this Gift Card Addendum, and only for use in connection therewith; (ii) advise those Representatives having access to the Confidential Information of the proprietary nature thereof and of the obligations set forth in this Gift Card Addendum; (iii) take appropriate action by instruction or agreement with such Representatives having access to the Confidential Information to fulfill its obligations under this Gift Card Addendum; (iv) protect all Confidential Information received by Recipient using a reasonable degree of care, but not less than that degree of care Recipient uses in protecting its own similar information or material; and (v) except as otherwise provided above, and except as necessary to comply with Applicable Law, not disclose any such Confidential Information to third parties.
- B. **Exceptions.** The obligations of confidentiality and restriction on use in this Section 9 will not apply to any Confidential Information that the other Party proves: (i) was in the public domain prior to the date of this Gift Card Addendum or subsequently came into the public domain through no fault of the other Party; (ii) was lawfully received by the other Party from a third party free of any obligation of confidence to such third party; (iii) was already in the possession of the other Party prior to receipt thereof, directly or indirectly, from the Disclosing Party; (iv) is required to be disclosed in a judicial or administrative proceeding after all reasonable legal remedies for maintaining such information in confidence have been exhausted including, but not limited to, giving the Disclosing Party as much advance notice of the possibility of such disclosure as practical so that the Disclosing Party may attempt to stop such disclosure or obtain a protective order concerning such disclosure; or (v) is subsequently and independently developed by employees, consultants or agents of the other Party without reference to the Confidential Information disclosed under this Gift Card Addendum.
- C. **Rights in Confidential Information.** Except as specifically provided for herein, this Gift Card Addendum does not confer any right, license, interest or title in, to or under the Confidential Information to the other Party. Except as specifically provided for herein, no license to Confidential Information is granted to the Recipient, by estoppel or otherwise, under any patent, trademark, copyright, trade secret or other proprietary rights of the Disclosing Party. Title to the Confidential Information will remain solely with the Disclosing Party. CLIENT shall not obtain any proprietary rights in any proprietary or Confidential Information which has been or is disclosed in connection with this Gift Card Addendum, directly or indirectly, to CLIENT or any of its affiliates by BAMS or its affiliates, including without limitation any data or information that is a trade secret or competitively sensitive material whether owned or licensed or otherwise provided by BAMS or its affiliates, user manuals, screen displays and formats, computer software, methodologies, systems, products, System architecture and documentation, in each case, whether owned, licensed or otherwise provided or used by BAMS, software performance results, flow charts, and other specifications (whether or not electronically stored), data and data formats (collectively, "BAMS's Proprietary Information") whether any of the materials are developed or purchased specifically for performance of this Gift Card Addendum or otherwise. CLIENT agrees to, and shall cause its affiliates to, return to BAMS all of BAMS's Proprietary Information upon the expiration or termination of this Gift Card Addendum.
- D. **Use; Destruction.** Upon the request of the Disclosing Party, the Recipient will use reasonable efforts to collect and

surrender (or confirm the destruction or non-recoverable data erasure of computerized data) all Confidential Information disclosed in connection with this Gift Card Addendum, except as may be required to be kept in accordance with any legal or regulatory requirement.

- E. **Equitable Relief.** The Parties agree that money damages would not be a sufficient remedy for breach of the confidentiality and other obligations of this Gift Card Addendum. Accordingly, in addition to all other remedies that each Party may have, each Party, as applicable, may be entitled to seek specific performance and injunctive or other equitable relief as a remedy for any breach of the confidentiality and other obligations of this Gift Card Addendum. Each Party agrees to waive any requirement for a bond in connection with any such injunctive or other equitable relief.

10. **Exclusivity.** During the Initial Term and any Renewal Term of this Gift Card Addendum (as defined in Section 11): CLIENT agrees that BAMS will be the sole and exclusive provider of Services as it applies to the processing of Gift Card transactions payments for CLIENT and its Affiliates. BAMS will be a non-exclusive provider of Card production services.

11. **Term.** This Gift Card Addendum is effective upon the parties as of the Effective Date. The Initial Term shall commence upon the Start Date and thereafter shall continue in force as described in Subsection 2.1 of the MSA.

12. **Dispute Resolution.**

- A. Any controversy or claim between BAMS and CLIENT arising out of or relating to this Gift Card Addendum or the Services (whether based on contract, tort, common law, equity, statute, regulation, order or otherwise) ("Dispute") will be resolved as follows: (1) at the written request of either BAMS or CLIENT, the Parties will each appoint a representative to meet and attempt to resolve such Dispute; and (2) the designated representatives will meet as often as the Parties reasonably deem necessary to resolve the Dispute without formal proceedings.
- B. A Dispute may not be submitted to litigation or arbitration until the earlier of: (1) the date that the designated representatives conclude in good faith that amicable resolution through continued negotiation does not appear likely; or (2) sixty (60) days after the date that either Party requested negotiation of the Dispute pursuant to this Section 12.
- C. This Section 12 may not be construed to prevent a Party from instituting formal proceedings at any time to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or to seek temporary or preliminary injunctive relief pursuant to Section 9(E).

13. **Termination For Cause.** This Gift Card Addendum may be terminated upon the occurrence of any of the following conditions:

- A. Either Party may terminate the Gift Card Addendum if the other Party (or an Affiliate) commits a material breach of its terms, and fails to cure the breach within thirty (30) business days after receipt of notice from the non-breaching Party;
- B. Either Party may terminate this Gift Card Addendum if: (a) the other Party files a voluntary petition of bankruptcy provided that such petition is not withdrawn or dismissed within sixty (60) days of filing, (b) any pleading seeking any reorganization, liquidation, or dissolution under any law is filed against the other Party, and that Party admits or fails to contest the material allegations of any such pleading filed against it, (c) an order for relief is entered against the other Party under the U.S. Bankruptcy Code, (d) a receiver is appointed for a substantial part of the assets of the other Party, (e) an assignment for the benefit of creditors or similar disposition of assets of the other Party is made, or (f) the other Party ceases to conduct business operations generally;
- C. BAMS may terminate this Gift Card Addendum if CLIENT fails to pay any undisputed amount due within fifteen (15) days after receipt of notice;
- D. BAMS may terminate this Gift Card Addendum in the event that CLIENT uses the Service or the Program for fraudulent, illegal or unauthorized activities, or in the event that CLIENT fails to notify BAMS of any fraudulent, illegal or unauthorized activity of which it becomes aware in connection with the Program. CLIENT agrees to use good faith efforts to mitigate excessive non-financial Card transactions (such as balance inquiries) and to promptly notify BAMS of any such excessive activity. BAMS, in its sole discretion may suspend the provision of Services under this Gift Card Addendum as and to the extent necessary to investigate such activities.
- E. **Adverse Change in Applicable Law.** In the event of a change in Applicable Law, adverse regulatory action (including conclusion of regulatory proceeding, investigation, or inquiry) regarding the application of any Applicable Laws, (an "Adverse Change") that has a material adverse effect upon a Party's cost of performing or a Party's ability to perform its obligations under this Gift Card Addendum, or upon a Party's ability to exercise its rights under this Gift Card

Addendum, including the right to full payment of amounts contemplated hereunder, the Parties will meet within fourteen (14) days of the affected Party's written request to consider changes to this Gift Card Addendum and/or administration of the Card, the Program or the Service to address such Adverse Change. If the Parties are unable to agree to such changes within thirty (30) days of the date of the original notice, then the affected Party may terminate this Gift Card Addendum by providing written notice to the other Parties, *provided* that in no event will any Party be obligated to take any action or fail to take any action in violation of Applicable Law.

14. Effect of Termination.

- A. In the event of a termination for cause under Section 13, all amounts payable under this Gift Card Addendum will be due and owing upon demand by the non-breaching Party.
- B. If requested by CLIENT at least ninety (90) days before termination, BAMS will continue to provide Services for unexpired Cards that were activated prior to the effective date of termination for up to twelve (12) months following the date this Gift Card Addendum was to have terminated (the "Transition Period"). The Transition Period Services are subject to all terms of this Gift Card Addendum except that BAMS may require advance payment. Upon the effective date of termination, unless otherwise agreed in writing by the Parties, BAMS will have no further obligation to establish new Cards on the Database, except in the case where a replacement Card is issued to replace a lost or stolen Card. BAMS has no obligation to provide the Services for a Transition Period if BAMS terminates this Gift Card Addendum for cause pursuant to the grounds established in Section 13.
- C. BAMS will deliver Card Data to CLIENT in BAMS's standard format within ninety (90) days of CLIENT's written request if such request is received during the Transition Period, and will include all Card Data for services provided through the end of the Term to ensure that CLIENT receives all Card Data. BAMS may impose additional fees for customization of this data.

15. Intellectual Property Indemnification. In addition to the indemnity obligations set forth in Section 4 of the MSA, each Party agrees to indemnify the other Party for IP Infringement Claims as follows:

A. Intellectual Property Indemnification and Other Obligations of BAMS.

- (1) Subject to the exclusions set forth in Section 15(A)(3), BAMS will, at its expense, indemnify, hold harmless, and defend CLIENT from and against all IP Infringement Claims brought against CLIENT to the extent that the IP Infringement Claims result from CLIENT's use of the Services or the Specifications.
- (2) Subject to the exclusions set forth in Section 15(A)(3), if BAMS determines that the Services, any portion of the Services, or any portion of the Specifications likely infringes or otherwise violates a third party's Intellectual Property Rights, or that it is otherwise in the Parties' best interests to reduce or avoid the risk of an actual or potential infringement or violation of a third party's Intellectual Property Rights, then BAMS, at its option and expense, may either:
 - (a) Obtain the right for CLIENT to continue using the infringing or violating Service, the infringing or violating portion of the Service, or the infringing or violating portion of the Specifications; or
 - (b) Modify the infringing or violating Service, the infringing or violating portion of the Service, or the infringing or violating portion of the Specifications to make it non-infringing and non-violating; or
 - (c) Replace the infringing or violating Service, the infringing or violating portion of the Service, or the infringing or violating portion of the Specifications with a non-infringing and non-violating equivalent.
- (3) BAMS's obligations under Section 15(A)(1) and Section 15(A)(2) will not apply to that portion (and only that portion) of any IP Infringement Claim which results from:
 - (a) The use by CLIENT (or CLIENT's agent) of any portion of the Services or the Specifications in a manner that is not permitted under this Gift Card Addendum;
 - (b) BAMS's use of any of CLIENT's IP, designs, artwork, concepts, specifications, or other materials provided to BAMS by or on behalf of CLIENT in connection with this Gift Card Addendum ("CLIENT's Design Materials") but only to the extent that the infringement or other violation alleged in the IP Infringement Claim would not have occurred but for BAMS's use of CLIENT's Design Materials; or
 - (c) CLIENT's (or CLIENT's agent's) use, assembly, configuration, or operation of all or any part of the Services, the Specifications, or any element, step, component, process, System, or portion of the Services or

Specifications in combination with all or any part of other software, equipment, services, processes, elements, steps, components, or systems not provided by BAMS which creates a process or method that is the causation for the infringement or other violation alleged in the IP Infringement Claim ("CLIENT's Combinational Use").

(4) The rights and remedies described in Section 15(A)(1) and Section 15(A)(2) are the exclusive remedies of CLIENT with respect to IP Infringement Claims relating to the Program or the Services.

B. Intellectual Property Indemnification Obligations of CLIENT.

(1) CLIENT will, at its expense, indemnify, hold harmless, and defend BAMS from and against that portion (and only that portion) of any IP Infringement Claims brought against BAMS which results from:

- (a) The use by CLIENT (or CLIENT's agent) of any portion of the Services or the Specifications in a manner that is not permitted under this Gift Card Addendum;
- (b) BAMS's use of any CLIENT's Design Materials but only to the extent that the infringement or other violation alleged in the IP Infringement Claim would not have occurred but for BAMS's use of CLIENT's Design Materials; or
- (c) CLIENT's Combinational Use (as defined in Section 15(A)(3)(c) above).

The rights and remedies described in this Section 15 are the exclusive remedies of BAMS with respect to IP Infringement Claims relating to the Services or the Specifications.

16. Limitation of Liability.

A. **Limitation.** SUBJECT TO SECTIONS 4 AND 5 OF THE MSA AND SECTION 15 OF THIS GIFT CARD ADDENDUM, BAMS'S CUMULATIVE AGGREGATE LIABILITY IN CONNECTION WITH THIS GIFT CARD ADDENDUM WILL BE LIMITED TO ACTUAL DIRECT DAMAGES INCURRED BY CLIENT AND, IN ANY EVENT, WILL NOT: (i) EXCEED ONE HUNDRED THOUSAND DOLLARS (\$100,000); OR (ii) INCLUDE ANY LIABILITY FOR CLAIMS ARISING OUT OF OR RELATING TO SERVICES AND/OR ITEMS SUPPLIED BY A CARD COMPANY.

B. **Exclusion of Damages.** SUBJECT TO SECTIONS 4 AND 5 OF THE MSA AND SECTION 15 OF THIS GIFT CARD ADDENDUM, IN NO EVENT WILL ANY PARTY TO THIS GIFT CARD ADDENDUM, THEIR AFFILIATES, OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, OR AGENTS BE LIABLE FOR LOST PROFITS, LOST BUSINESS OPPORTUNITIES, LOST REVENUES, EXEMPLARY, PUNITIVE, SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES OR THE LIKE, EACH OF WHICH IS HEREBY EXCLUDED BY AGREEMENT OF THE PARTIES REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE OR WHETHER A PARTY HAS BEEN ADVISED OF THE POSSIBILITY THEREOF.

17. Compliance With Law.

A. **BAMS Compliance Obligations.** BAMS is solely responsible for: (a) the oversight of BAMS's business; and (b) monitoring, interpreting, and complying with all Applicable Law applicable to BAMS's performance of its obligations under this Gift Card Addendum. BAMS will not be responsible for: providing legal or compliance advice to CLIENT concerning CLIENT's obligations under Section 4(D); ensuring that CLIENT complies with Applicable Law, or the terms and conditions of Card accounts; providing any services or products not expressly described in this Gift Card Addendum or an Exhibit; or any failure by CLIENT to perform any action or adhere to any responsibility described in Section 4(D). BAMS will have no obligations for making the Program compliant with any Applicable Law, whether directly or indirectly related to the Program or the Program Procedures. BAMS will have no obligation to take any action that would cause BAMS, in its reasonable opinion, to be in violation of Applicable Law.

B. **CLIENT Compliance Obligations.** CLIENT is solely responsible for: (a) the oversight of CLIENT's business; (b) monitoring, interpreting, and complying with the Applicable Law that applies to CLIENT's issuance and sale of Cards under the Program and the Program Procedures; (c) determining the particular actions, disclosures, formulas, calculations, or procedures (whether to be performed by BAMS or by CLIENT) that are required for compliance with Applicable Law, the terms and conditions of Cardholder accounts, and any other business requirement of CLIENT; and (d) if applicable, screening CLIENT's Cardholders and the transactions of CLIENT's Cardholders against the lists of prohibited persons and prohibited countries maintained by the Office of Foreign Assets Control ("OFAC") of the US Department of the Treasury or otherwise complying with OFAC requirements.

C. **Illegal Transactions.** CLIENT further acknowledges and agrees that CLIENT will not use the Cards or the Services

provided under this Gift Card Addendum for illegal transactions, for example, those prohibited by the Unlawful Gambling Enforcement Act, 31 U.S.C. Section 5361 et seq., as may be amended from time to time.

- D. **Load Limits and Financial Crimes Enforcement Network ("FinCEN") Compliance.** CLIENT acknowledges and agrees that CLIENT will not allow Cards (i) to be loaded with a balance that exceeds \$2,000 at any time, or (ii) to be loaded with more than \$2,000 in the aggregate during any calendar day. CLIENT acknowledges and agrees that among all the participants in its prepaid program, CLIENT is the party with principal oversight and control and that in addition to acting as the "seller of prepaid access", if CLIENT's prepaid program fails to meet the applicable exemptions under the 2013 FinCEN Prepaid Access Final Rule, CLIENT will serve as the "provider of prepaid access" and comply with all requirements of law applicable to providers of prepaid access, including but not limited to, maintaining registration with FinCEN as a money service business, maintaining compliant AML policies, procedures and internal controls, monitoring and reporting of suspicious activity, collection and verification of identification information from each person obtaining prepaid access, maintaining historical transaction records and performing OFAC checks. CLIENT further agrees, if applicable, to (i) validate its compliance with such requirements of law from time to time as reasonably requested by BAMS and (ii) indemnify, defend and hold harmless BAMS from any and all claims and liability arising from CLIENT's failure to comply with all such requirements of law.

18. **Representations and Warranties.** Each Party hereby represents and warrants to the other Party that:

- A. **Organization and Qualification.** Each Party is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized and has the requisite corporate or limited liability company power and authority necessary to own, possess, license, operate or lease the properties that it purports to own, possess, license, operate or lease and to carry on its business as it is now being conducted. Each Party is duly qualified or licensed as a foreign corporation to do business, and is in good standing, in each jurisdiction where its business or the character of its properties owned, possessed, licensed, operated or leased, or the nature of its activities, makes such qualification necessary.
- B. **Authority.** Each Party has the requisite corporate power and authority to enter into this Gift Card Addendum and to carry out its obligations hereunder. The execution and delivery of this Gift Card Addendum by the Party and the consummation by the Party of the transactions contemplated hereby have been authorized by all requisite corporate action on the part of the Party and no other corporate action is necessary for the execution and delivery of this Gift Card Addendum by such Party, the performance by the Party of its obligations hereunder and the consummation by the Party of the transactions contemplated hereby. This Gift Card Addendum has been duly executed and delivered by the Party and constitutes a legal, valid and binding obligation of the Party, enforceable against it in accordance with its terms.
- C. **No Conflict.** The execution and delivery of this Gift Card Addendum by each Party does not: (i) violate or conflict with the articles of incorporation or bylaws of that Party; (ii) to that Party's knowledge, violate any valid and enforceable judgment, ruling, order, writ, injunction, decree, permit or laws applicable to that Party; or (iii) breach any other agreement to which it is a party or by which it is bound.

19. **Miscellaneous.**

A. **Force Majeure.**

- (1) Except as set forth in this Section, if either Party's performance of its services or obligations under this Gift Card Addendum is prevented, restricted, delayed, or interfered with as a result of a Force Majeure Event, then that Party will be excused from performing the affected service or obligation to the extent of the prevention, restriction, delay, or interference for as long as: (a) the Force Majeure Event persists; and (b) the affected Party continues to use commercially reasonable efforts to resume performance as soon as practicable. For purposes of this Section, "commercially reasonable efforts" will include implementing the Party's disaster recovery/business continuity plan, to the extent required by the plan.
- (2) A Force Majeure Event will not excuse: (a) a Party from implementing its disaster recovery/business continuity plan; or (b) Party's failure to make any payment required by this Gift Card Addendum. However, a Force Majeure Event may excuse a delay of five (5) business days or less in remitting such payments.

B. **Information Requests; Financial Information.**

- (1) CLIENT agrees to provide BAMS with information concerning the nature and methods of CLIENT's business, and CLIENT's compliance with the terms and provisions of this Gift Card Addendum, as BAMS may reasonably request.


- (2) CLIENT authorizes BAMS to obtain financial and credit information relating to CLIENT from third parties, in connection with BAMS's determination whether to execute this Gift Card Addendum and BAMS's continuing evaluation of CLIENT's financial and credit status.
- (3) During any periods in which CLIENT is not subject to and in compliance with the reporting requirements of the Securities Exchange Act of 1934, as amended, CLIENT agrees to provide quarterly financial statements to BAMS on request, within forty-five (45) days after the end of each fiscal quarter and annual audited financial statements within ninety (90) days after the end of each fiscal year. Such financial statements will be prepared in accordance with accounting principles generally accepted in the United States.
- C. **Set Off And Recoupment Rights.** In addition to any rights now or hereafter granted under Applicable Law, with respect to any outstanding amounts due from CLIENT to BAMS under this Gift Card Addendum ("Outstanding Obligations"), BAMS may set off, recoup, appropriate and apply any and all funds due from BAMS to CLIENT under any other agreement between the parties, against the Outstanding Obligations.
- D. **Amendment.** The Parties may only modify or amend this Gift Card Addendum by a written instrument executed by a duly authorized representative of each Party.
- E. **Survival.** Sections 3(H), 3(I), 7, 8 (as to fees accrued through the date of termination), 9, 14, 15, 16, and 19, and Exhibit A will survive termination of this Gift Card Addendum.
- F. **Interpretation; Construction.** Each definition in this Gift Card Addendum includes the singular and plural. Any definition of a verb included herein will include every conjugation thereof. The word "including" means "including, but not limited to". The word "or" includes both "and" and "or," but the word "and" means only "and". Text enclosed in parentheses has the same effect as text that is not enclosed in parentheses. References to any statute or regulation mean the statute or regulation as amended at the relevant time and include any successor statute or regulation. The headings and captions of this Gift Card Addendum are included merely for convenience of reference. They are not to be considered part of, or to be used in interpreting, this Gift Card Addendum and in no way limit or affect any of the contents of this Gift Card Addendum or its provisions. Except as otherwise stated, reference to sections, exhibits and addendums mean the sections, schedules, and exhibits of this Gift Card Addendum. This Gift Card Addendum will be enforced to the fullest extent permitted by Applicable Law.
- G. **Counterparts.** This Gift Card Addendum may be executed in counterparts (including by means of signature pages transmitted via facsimile or other electronic means), any one of which need not contain the signatures of more than one party. Each signature will be deemed to be: (a) an original, and (b) valid, binding, and fully enforceable.

IN WITNESS WHEREOF, the Parties have caused this Gift Card Addendum to be executed by their authorized representatives as of the Effective Date set forth above.

TGI FRIDAY'S OF THE ROCKIES, INC.

BANC OF AMERICA MERCHANT SERVICES, LLC

By: 

By: 

Name: Duncan Davis

Name: John F. Rubineti

Title: VP-Operations

Title: SVP

EXHIBIT A TO PREMIUM GIFT CARD PROCESSING ADDENDUM

Fee Schedule

1. TRANSACTION FEES:

The Monthly Fee Per Location fee includes all transaction types (including IPN Network Fee) includes below is payment for all Transactions processed at all Designated Locations during a calendar month FDnet (ACH Settlement Services) and all transaction types. BAMS will invoice transaction fees monthly.

Monthly fee Per Location	\$8 5000
IVR Per Minute	\$0.2500
Help Desk Per Minute	\$1.3500
Franchise Help Desk Fee Per Minute	\$3 00
Equipment Recertification	\$5,000
Custom Development	\$150
Card Management Fee	\$0 030

Classic Reports	Set Up	Monthly
Classic Report Package -10 Reports	Waived	No Charge
Setup and Validation	Waived	No Charge
User Access	Waived	No Charge
Easy Build Functionality	Waived	No Charge
Easy Query (10 days of data)	\$1,500	No Charge
Report Storage (10-10-10-4-2 Iteratlons)	Waived	No Charge

Premium Reports	Set Up	Monthly
Set Up and Validation Per Report	\$3000/Report	Waived
Report Archive (24 months) for static excel reports only	\$1,000	Waived
Custom Report Discovery	\$175/Hour	Waived
Custom Report Development	\$175/Hour	Ongoing annual maintenance fee equal to 18% of custom development fees for recurring custom reports

"Transactions" are defined in the Statement of Work for CLIENT's Program and include the following primary categories: (i) on-line transactions using stored value Cards through POS devices located at Designated Locations; (ii) selected transactions using a card number through one or more of CLIENT's Internet site(s) designated by CLIENT; (iii) batch transactions performed through BAMS's help desk or back office tool initiated by Cardholders; (iv) batch transactions submitted by CLIENT via an electronic file; (v) balance, transaction or other Inquiries initiated through an interactive voice response system or via a call center; (vi) Card activations initiated by a third party aggregator designated by CLIENT; (vii) any other transaction request for a Card that is part of CLIENT's Consortium for which BAMS received from any source authorized by CLIENT. Transaction fees apply to any Transaction for which a processing response is provided by the Database.

These transaction fees include the following:

- Initial certification of the Card Authorization Equipment;
- Database management and maintenance;
- The Classic Report Package, as detailed below; and
- Support services related to the Program, as detailed below.

2. REPORTING FEES:

BAMS will provide the following report options to CLIENT: 1) Daily Periodic Transaction Detail file ("PTD"), and 2) the Classic Report Package. The PTD and the Classic Report Package is offered as no more than one set of reports with single configuration per Consortium. Additional sets of reports, or the same set with different configurations, will be quoted upon request per CLIENT's requirements.

Classic Report Package (Per Consortium and single frequency only)	
1. Daily or International Daily Summary	2. Sales Uplift *
3. Promo or Consortium Aging	4. Excessive Balance Inquiry
5. Card Usage *	6. Outstanding Liability
7. CLIENT Activity by Location	8. Location Merchant Promo Summary *

9. Help Desk	10. Unclaimed Property
* Easy Build Report	

<i>Classic Report Features</i>		
	SETUP FEES	MONTHLY CHARGES
Classic Report Package – 10 Reports	Included in setup	No Charge
Setup and Validation – single consortium	Included in setup	No Charge
User Access	Included in setup	No Charge
Easy Build functionality	Included in setup	No Charge
Easy Query (10 days of data)	\$1,500	No Charge

CLIENT may request reports in the Premium Report Package or customized reports and/or data files, the fees for which will be quoted upon request per CLIENT's requirements, as detailed below.

<i>Premium Report Features</i>		
	SET-UP FEES	MONTHLY CHARGES
Setup and Validation per report	\$3,000/report	No Charge
Report Archive (24 months) – for static Excel reports only	\$1,000	No Charge
Custom Report Discovery	\$175/hour	No Charge
Custom Report Development	\$175/hour	No Charge

<i>Premium Report Package</i>	
1. Breakage Forecast	2. Excessive Card Activity*
3. Cross Consortium Activity	4. Lapse Days Summary
5. Cross Consortium Detail	6. Location Promotion Summary*
7. Cross Consortium Review*	8. Service Fee Applied
* Easy Build Report	

3. CARD FEES:

Card fees will be quoted from time to time upon request of CLIENT. Pricing for Card carriers and fulfillment services will be quoted based on CLIENT's specifications. Cards will be shipped to a single distribution center designated by CLIENT. CLIENT will pay shipping and handling charges. Card fees will be invoiced upon shipment from the Card Company (although BAMS reserves the right to require prepayment of Card orders at any time). CLIENT will also pay set-up, proof and plate charges as quoted per card order.

4. IVR AND CALL CENTER FEES:

IVR and call center fees are based on set-up of one Cardholder IVR and one CLIENT IVR with BAMS's standard functionality. Fees for additional IVR set-ups and/or customized functionality will be quoted on request. These fees apply to all minutes or portions thereof used by CLIENT and Cardholders. IVR and call center fees will be charged in addition to any applicable transaction fees for transactions initiated through the IVR or call center. CLIENT will be surcharged for calls originating from a pay phone. Fees may vary for calls placed from outside of the United States. IVR and call center fees will be invoiced monthly.

5. OTHER FEES:

Card Management Fee: The Card Management Fee will be charged for setting up an account on the Database for each physical or virtual Card issued through CLIENT's Program. However, the Card Management Fee will be waived for physical Cards ordered through BAMS for manufacturing production.

Telecommunications: CLIENT will be charged for telecommunication lines installed and maintained by BAMS in connection

with the Program as quoted, if any. These charges will include a setup fee and monthly ongoing fees. Fees may vary for international locations.

Card Authorization Equipment Re-certification: CLIENT will pay \$5,000 per re-certification if re-certification is required.

Custom Development and Implementation: In the event CLIENT modifies its Program after initial development and Certification, CLIENT will pay to BAMS the above per hour fee for development of new features for the Program.

FEES FOR PRODUCTS AND SERVICES OTHER THAN AS SET FORTH ABOVE AND FOR ANY CONFIGURATION CHANGES OR ADDITIONS DURING THE TERM WILL BE QUOTED UPON REQUEST. UNLESS OTHERWISE EXPRESSLY PROVIDED, ALL PRICING IS SUBJECT TO SECTION 8 OF THIS GIFT CARD ADDENDUM.

**THIRD PARTY TRANSACTION PROVIDER SERVICES
ADDENDUM 1 TO PREMIUM GIFT CARD PROCESSING ADDENDUM**

1. **Third Party Transaction Provider Services Description.** CLIENT desires to participate in the Third Party Transaction Provider Services Program (the "Provider Program") by selling its Cards through Service Providers or at Merchant Locations (as defined below). "Service Providers" means those entities for which BAMS currently processes transactions through an existing third party transaction provider relationship. For each such Service Provider with whom CLIENT desires to participate, the Parties shall complete and execute a "Third Party Transaction Provider Services Order Form" in the form provided by BAMS from time to time. A current sample of the first page of the Third Party Transaction Services Order Form is attached as Exhibit A hereto. The Third Party Transaction Provider Services Order Form shall reflect the mutual written agreement of the Parties, and must be completed before Service Providers may be added to the Provider Program. All fees related to each new Service Provider shall be included in the Third Party Transaction Provider Services Order Form. CLIENT acknowledges and agrees that no new Service Provider may be added by CLIENT unless and until BAMS has entered into a written services agreement with that Service Provider. "Merchant Location" means any Service Provider location through which Cards are sold and activated by Service Providers (which locations may include a store, direct marketing program or Internet site). Each Merchant Location shall be considered and treated as a Designated Location under and for all purposes of the Agreement; provided, however, that notwithstanding anything to the contrary, Cards will not be accepted for redemption or use at any Merchant Location.
2. **Custom Services Description.** In the event BAMS agrees to add any Service Provider with which BAMS does not have an existing relationship, or to otherwise customize the Third Party Transaction Provider Services at the request of CLIENT, prior to such Service Provider's participation in the Provider Program, CLIENT may be charged a certification fee equal to the amount of BAMS' reasonable fees and costs to complete the certification as set forth on the Third Party Transaction Provider Services Order Form, and BAMS shall not be responsible for any third-party fees or costs charged to CLIENT in connection with such Service Provider's participation in the Provider Program, including any such fees or costs charged by such Service Provider to CLIENT.
3. **Authorization.** CLIENT expressly authorizes BAMS, and BAMS agrees, to provide Services with respect to Cards sold and activated by Service Provider through Merchant Locations.
4. **CLIENT Responsibilities.** To induce BAMS to provide Services with respect to Cards sold by Service Providers, including at Merchant Locations, CLIENT covenants with, and warrants and represents to, BAMS as follows:
 - a. **Compliance with Agreement.** All sales and activations of Cards by Service Providers, including at Merchant Locations, are and shall be in strict compliance and conformity with the Agreement and with all applicable laws and regulations, including those pertaining to money transfer, money laundering and financial privacy. Without assuming the obligation to determine compliance and conformity with this Addendum and with all applicable laws and regulations, BAMS shall not be required to process sales and activations of Cards by Service Providers, including through Merchant Locations, that do not comply with the Agreement, including this Addendum or any applicable laws or regulations.
 - b. **Authority of Service Providers.** CLIENT has authorized each Service Provider to act as its agent for the limited purposes of selling Cards and receiving funds from customers in payment therefor on behalf of CLIENT. As between BAMS and CLIENT, CLIENT shall be responsible for any acts or omissions of each Service Provider in connection with the sale or activation of any Cards, and any act or omission of each Service Provider in connection therewith that would be considered a breach or default under the Agreement if such act or omission were that of CLIENT (or any Affiliated Issuer or Designated Location) in the first instance shall be considered a breach or default of CLIENT under the Agreement.
 - c. **Agreement with Service Provider.** CLIENT shall be solely responsible for determining the quantity, value(s) and distribution of Cards provided to each Service Provider or any Merchant Location and the methods of distributing such Cards. The settlement of funds and payment of fees between CLIENT and each Service Provider (and any Merchant Location) related to the Cards shall be as agreed between CLIENT and each Service Provider, and BAMS shall have no responsibility, obligation or liability therefor.
 - d. **Actions of BAMS.** CLIENT and BAMS agree that BAMS shall not be deemed to have failed to provide Services in accordance with the Agreement with respect to any Card sold and activated by any Service Provider, including through any Merchant Location, to the extent any such failure by BAMS is caused in whole or in part by any failure of any Service Provider or CLIENT to provide to BAMS information regarding the sale and activation of such Card that is accurate, complete, timely and formatted in accordance with BAMS' instructions and specifications in all respects.
5. **Fees.** CLIENT shall be responsible for all fees and other amounts payable to BAMS, pursuant to Exhibit A under the Agreement. Such fees shall include, but are not necessarily limited to, transaction fees related to any Card sold and activated by

Service Providers, fees related to the production of Cards for the Provider Program, fees related to the IVR and Help Desk usage by Cardholders under the Provider Program, custom reporting fees for Service Provider activity and other development costs, if requested by CLIENT.

6. **Loss Allocation.** CLIENT acknowledges that, as between CLIENT and BAMS, CLIENT is solely responsible for the Cards issued by Service Providers to Cardholders. BAMS shall not be liable for any loss or theft of, alteration or damage to, or fraudulent, improper or unauthorized use of any Card. CLIENT will honor the authorized amount of all Cards sold by Service Providers regardless of whether CLIENT ultimately receives payment therefor from any Service Provider.

7. **Additional Indemnity.** CLIENT will indemnify, defend and hold harmless BAMS, its Affiliates, and their respective directors, officers, employees and agents from and against any and all third party claims, losses, liabilities, damages and expenses (including reasonable attorneys' fees, fines, judgments and costs of settlement) resulting from or arising out of the Provider Program, including, without limitation, claims arising out of: (i) matters that this Addendum indicates BAMS is not responsible or liable for; (ii) defective or duplicate Cards issued by CLIENT or Service Provider; (iii) any dispute or transaction between CLIENT and Service Provider; (iv) any dispute or transaction between Service Provider or CLIENT and any Cardholder relating to the Provider Program; and (v) Service Provider's actions under or in furtherance of this Addendum or in any way connected with the Agreement.

8. **Addendum Termination.** Either Party may terminate this Addendum at any time upon at least thirty (30) days' prior written notice to the other Party. Following any such written notice of termination, BAMS shall have a reasonable time to cancel any Card accounts that were established, but not activated, in connection with this Addendum prior to the effective date of termination. No new Card accounts may be established hereunder following the effective date of termination. This Addendum shall terminate automatically upon termination of the Agreement.

9. **Conflict with Agreement.** Cards issued pursuant to this Addendum are subject to the Agreement. Except as supplemented or amended by this Exhibit, all provisions of the Agreement shall continue in full force and effect, but if there shall be any conflict or inconsistency between the provisions of this Addendum and the Agreement, the provisions of this Addendum shall govern and control.

EXHIBIT A
 THIRD PARTY TRANSACTION PROVIDER SERVICES
 ORDER FORM

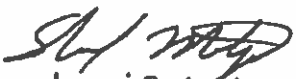
CLIENT Name: TGI Fridays

<input type="checkbox"/>	Code	Description	Qty	Price	Subtotal
<input type="checkbox"/>	R10.1	Create Standard Cross Consortium		\$2500	
<input type="checkbox"/>	R10.2	Create Other Cross Relationship		\$2500	
<input type="checkbox"/>	R11	Configure Settlement Services For Cross		\$5000	
<input type="checkbox"/>	R20	Separate Standard Reports		\$6000	
<input type="checkbox"/>	R21	Advanced Reporting		\$1500	
<input type="checkbox"/>	R30.1	BAJ Full Certification		\$4700	
<input type="checkbox"/>	R30.2	BAJ Partial Certification		\$2000	
<input type="checkbox"/>	R30.3	BAJ Test		\$1400	
<input type="checkbox"/>	R31	XML Certification (Ticketing)		\$2700	
				Total Charge:	

By signing below, the client named above ("CLIENT") indicates approval of the above charges and authorizes Banc of America Merchant Services, LLC ("BAMS") to move forward with the order as described herein. Once development/support has started, CLIENT agrees to pay for the charges above, even if the project requested is not implemented. CLIENT will be notified by a BAMS Account Manager of the expected delivery date of the services following submission of this order form.

Please sign the bottom of this letter and submit to your BAMS Account Manager via email or fax.

The fees above only apply to implementation efforts. Additional charges will be applied for additional program services such as card production and transaction fees.

Approval Signature: 
 Printed Name: Sherif Mityas
 Title: CIO

Date: 12/20/17

**SETTLEMENT AND FUNDS MOVEMENT SERVICES
ADDENDUM 2 TO PREMIUM GIFT CARD PROCESSING ADDENDUM**

1. **Settlement Services.** The Settlement Services provided by BAMS to facilitate payment processing and settlement in the United States among CLIENT, its Participating Franchisees and their respective Designated Locations through the Federal Reserve Automated Clearinghouse ("ACH") system.
2. **Responsibilities of BAMS.** BAMS shall perform the following responsibilities with respect to the Settlement Services:
 - a. **Funds Settlement.** BAMS will facilitate the settlement of funds among CLIENT and its Participating Franchisees and their respective Designated Locations through the ACH system in accordance with the "ACH Settlement Process" attached hereto and incorporated herein by reference as Schedule 1.
 - b. **Settlement Reporting.** BAMS will provide access to web-based, drill-down reporting Settlement System ("Settlement System") that displays transaction activity, showing the daily net settlement position for CLIENT and each Participating Franchisee and the amount each party owes or is owed. Reporting is itemized to the individual gift card transaction level and is securely available to different user levels, as established by CLIENT, via the Internet.
 - c. **Manual Adjustments.** At the direction of CLIENT, BAMS will process manual adjustments when exceptions occur due location or bank issues at direction of CLIENT. In no event shall BAMS be responsible or liable for acting upon the written instructions of CLIENT.
 - d. **Call Center Support.** BAMS will support CLIENT's and Participating Franchisees' use of the Settlement System through the Level II Help Desk to: (i) assist CLIENT in setting up Participating Franchisee access to the system; and (ii) provide contact for CLIENT and Participating Franchisee inquiries concerning the Settlement Services.
 - e. **Test Transactions.** BAMS will accept test transactions to all participating accounts to assure that routing, transit and account parameters are set properly for ACH transactions.
3. **Responsibilities of CLIENT.** CLIENT shall perform, and/or cause its Participating Franchisees to perform, the following responsibilities to establish and maintain the Settlement Services:
 - a. **Participation.** CLIENT agrees to comply with the following requirements for each Participating Franchisee that will be included in the Settlement Services:
 - i. CLIENT will obtain and retain (as specified in Section 3.d. hereof) a completed ACH Credit and Debit Authorization for each Participating Franchisee, using the form attached as Schedule 2 to this Addendum or otherwise provided by BAMS from time to time (each an "ACH Authorization");
 - ii. CLIENT will compare the reports made available by BAMS to the records of CLIENT's and/or Designated Locations, and will be responsible for identifying any discrepancies. If any discrepancies are identified, CLIENT shall promptly instruct BAMS in writing to make any necessary adjustments pursuant to CLIENT's written instructions, and BAMS shall have no liability for any errors that are made in accordance with CLIENT's written instructions. CLIENT and each Participating Franchisee are responsible for monitoring these reports for discrepancies. If any discrepancies are identified, Participating Franchisees are responsible for notifying CLIENT of same within thirty (30) days of availability of the applicable report;
 - iii. As part of the set up process, CLIENT will provide banking information for their CLIENT account and all Participating Franchisee and Franchisee location accounts, and will promptly provide BAMS with updated information in the event that any such accounts change;
 - iv. During the set up process, CLIENT will also select the funds movement frequency (daily, weekly, semi-monthly or monthly) for settlement of transaction activity between Participating Franchisees;

- v. CLIENT will send BAMS a daily Merchant Point of Sale ("MPOS") file to update the Settlement System with additions, updates and changes to CLIENT and Participating Franchisee and Franchisee locations and bank information;
 - vi. CLIENT will ensure that the CLIENT account will and will require any Participating Franchisee and Franchisee location accounts, maintain a sufficient balance to cover all settlement obligations and any applicable charges, provided, however, that CLIENT shall be responsible for payment of any amounts unpaid by any Participating Franchisee or Franchisee location;
 - vii. CLIENT will provide BAMS with information regarding Participating Franchisees (including legal name, address and taxpayer identification number) as BAMS may request in order for BAMS to file information returns pursuant to Section 6050W of the Internal Revenue Code. CLIENT will provide such information regarding Participating Franchisees as promptly as possible; and
 - viii. CLIENT will promptly notify BAMS of any changes to the account and/or routing information in the ACH Authorization of a Participating Franchisee, or termination of any authorizations.
- b. CLIENT Owned Participating Locations. CLIENT may elect to be treated as a separate Participating Franchisee with respect to transactions occurring at Designated Locations that are wholly owned and operated by CLIENT. Such election shall in no way limit or otherwise affect CLIENT's obligations under the Agreement and this Addendum.
 - c. Funding and Settlement Obligations. CLIENT is responsible for all settlement obligations associated with Cards or other services provided under the Program, and shall ensure that CLIENT Account maintains a sufficient balance of available funds to cover all settlement obligations and any applicable charges. In no event shall BAMS be responsible for the acts or omissions (including, without limitation, the amount, accuracy or timeliness of any transmittal) of CLIENT, any Participating Franchisee, Designated Location, any participant in the ACH system or any other person. CLIENT acknowledges and agrees that it is obligated to deliver the goods or services promised to Cardholders regardless of whether it receives any payments from Participating Franchisees, and that the ACH Settlement Process has no effect on the value on the Cards or the Cardholder's ability to use the Card to collect the promised goods or services.
 - d. Authorization. CLIENT shall obtain from each Participating Franchisee a completed ACH Authorization, and shall retain a copy of each such ACH Authorization for two (2) years after they are revoked or terminated. CLIENT shall provide BAMS with a copy of such executed ACH Authorizations upon BAMS' reasonable request. With respect to each and every entry initiated by BAMS on CLIENT's behalf, CLIENT represents and warrants that the owner of each Participating Franchisee Account has authorized the initiation of such entry and the debiting or crediting of its account for Card transactions and any applicable fees and charges, and such authorization is operative at the time of transmittal, debiting or crediting as provided herein. CLIENT shall be liable for all fines levied against BAMS for any violation of the rules and regulations of the National Automated Clearing House Association (the "NACHA Rules") by CLIENT or any Participating Franchisee.
 - e. Compliance with Laws and Regulations. CLIENT and each Participating Franchisee shall comply with and be bound by applicable law and the NACHA Rules, which are subject to change from time to time.
 - f. OFAC Screening. CLIENT shall be responsible for screening each Participating Franchisee and the principal owners of each such Participating Franchisee against the then current OFAC lists and for ensuring such entities are in compliance with the regulations of OFAC and any other governmental requirement relating thereto (the "OFAC Screen"). Notwithstanding the foregoing, BAMS, for its benefit, will conduct an initial OFAC Screen necessary for the initial establishment of the Program (the "Initial OFAC Screen") at no cost to CLIENT, provided, however, that CLIENT shall provide BAMS with all the information related to Participating Franchisees reasonably necessary for conducting the Initial OFAC Screen, in a format required by BAMS. Following completion of the Initial OFAC Screen, CLIENT will conduct any OFAC Screen on any and all Participating Franchisees and principal owners prior to submitting such Participating Franchisees to BAMS for enrollment in the Program, periodically update the OFAC Screen on all Participating Franchisees and principal owners and will provide verifications of such screening upon BAMS' request. Additionally, BAMS reserves the right to perform additional OFAC screening on such Participating Franchisees and their principals prior to their enrollment in the Settlement Services or following their enrollment. Any Participating Franchisee or and principal owners that do not pass the Initial OFAC Screen or any other OFAC Screen shall be immediately removed from participating in the Program or barred from participating in the Program, as applicable. For the avoidance of doubt, all such actions by BAMS in connection with the Initial

OFAC Screen shall not be construed to limit, restrict or revise CLIENT's obligations nor liabilities associated with performance or the failure to perform OFAC Screens.

- g. **Notifications.** In the event that a Participating Franchisee or a CLIENT-owned Designated Location ceases operations, loses its franchise, or otherwise stops its participation in CLIENT's Program, CLIENT shall promptly notify BAMS of the same.

4. **Fees.** CLIENT agrees to pay the following fees for Settlement Services:

- a. **Standard Fees:** The standard fees are comprised of the following:

- A one-time set up and certification fee for establishing the Settlement Services;
- Recurring fees for each ACH settlement transaction (assessed according to the funds movement frequency that is established according to the CLIENT's consortium); and
- Designated Location Fees (which are monthly service charges assessed per Designated Location).

Service Feature	Setup	Per Transaction	Monthly
U.S. Setup and Certification	waived		
Settlement Transaction Fee:		\$0.07 per ACH or EFT transaction	

- b. **Fees for Additional Services:**

Retrieval of Archived Reports: Settlement and Funds Movement reports beyond the six (6) months of reporting available online can be retrieved by BAMS via Summary and Detail data files of gift card activity for individual locations or an entire consortium for additional fees. The fees for such archived data retrievals are:

	One Month:	Each Additional Month:
Entire CLIENT Consortium:	\$800	\$325
Single Merchant or Location:	\$250	\$100

Configuration Change Fee: \$500 per configuration change. Configuration changes include funds movement frequency changes, fee and/or commission rate changes, and changes to the reporting hierarchy made by CLIENT.

Third Level of Security Administration: The security hierarchy (i.e., the creation of user accounts to log on to FDNNet) that BAMS uses for the Settlement Services provides CLIENTs with two hierarchy levels for user ID access (such as a corporate ID for CLIENT and a separate ID for Franchisees). If CLIENT wishes to create user ID/access for an additional third level of security, such as ID access for the bank account or Designated Locations, BAMS will charge an additional \$0.50 per location per month for such ID access.

Decentralized Settlement System: An additional location fee of \$1.00 per location/month will apply for Decentralized Funding (per Schedule 1).

Custom Development/Programming Fees: If CLIENT orders custom development or additional programming to supplement the standard configuration of the Settlement Services, BAMS will charge \$150/hour for such development and programming.

Customization of Documentation: Settlement System training and documentation is provided as part of the implementation and setup. CLIENT can use the documentation as is or customize it to train their Participating Franchisees. In the event that CLIENT requests that BAMS customize documentation or train Participating Franchisees, a professional service fee of \$150/hour will apply.

5. **Regulatory Amendment.** If at any time BAMS's provision of the Settlement Services causes BAMS to violate any law or regulation, this Addendum shall automatically terminate upon BAMS's written notice to CLIENT. In such case, and without further action of the parties, the Agreement shall be amended to read, in its entirety, as if the parties had not entered into this Addendum. During such thirty (30) day period the parties shall cooperate to transition settlement reporting accordingly.

6. **Addendum Termination.** This Addendum may be terminated at any time by either party upon thirty (30) days' prior written notice to the other party.
7. **Conflict with Agreement.** This Addendum shall supplement the provisions of the Agreement set forth herein and all of the terms, conditions and provisions of the Agreement shall not be modified or amended hereby and shall continue in full force and effect. In the event of any conflict between this Addendum and the Agreement, the terms of this Addendum shall govern.

Schedule 1

ACH SETTLEMENT PROCESS

1. **Additional Definitions.** For purposes of this Schedule 1, the following additional definitions shall apply:

"Business Day" means Monday through Friday, excluding any holidays recognized by Federal law. All time period references in the Agreement to "days" other than Business Days shall be deemed to refer to calendar days.

"CLIENT Account" means the bank account designated by CLIENT for purposes of funds movements and settlements with the Participating Franchisees.

"Decentralized Funding" means the entity activating a gift card holds the funds in their account until the gift card is redeemed at another participating entity, at which time funds are transferred to the redeeming entity.

"Franchisee Account" means the bank account of each Participating Franchisee and/or Designated Locations operated by that Participating Franchisee, as designated by CLIENT from time to time through this Addendum.

"Processing Date" means a Business Day during each calendar week, as designated by BAMS from time to time.

2. **Originating Depository Financial Institution.** BAMS shall provide a bank or other financial institution for the purpose of originating ACH transactions ("Originating Depository Financial Institution" or "ODFI").
3. **Settlement of Funds.** BAMS will facilitate the settlement of funds among CLIENT and its Participating Franchisees and their respective Designated Locations through the ACH system, and CLIENT authorizes BAMS as CLIENT's settlement services provider to initiate debit and credit entries on behalf of CLIENT and to debit and credit the CLIENT Account in furtherance of the same. Specifically, in support of Decentralized Funding as applicable to CLIENT program Settlement configuration, BAMS will:
- a. On the Processing Date, calculate the net settlement amount for each Designated Location by aggregating Card transactions (together with applicable fees and commissions as directed by CLIENT in writing) performed at such Designated Location during the previous day or calendar week, as agreed upon by BAMS and CLIENT from time to time (the "Processing Period");
 - b. On the Processing Date, (i) initiate ACH debits and credits on behalf of CLIENT to the applicable Franchisee Accounts for amounts owed to or to be collected from CLIENT by Participating Franchisees or owed between Participating Franchisees for financial gift card transactions and applicable fees and commissions during the Processing Period, (ii) facilitate settlement of necessary adjustments as provided in Section 2 of the Addendum by initiating ACH debits or credits on behalf of CLIENT to the applicable CLIENT Account or Franchisee Accounts.
4. **ACH Transfer Initiation.**
- a. All credits and debits shall be initiated by BAMS as described above, in each case acting on CLIENT's behalf, by the submission of a batch file of ACH payment information and instructions to the bank holding the CLIENT Account (the "CLIENT Bank").
 - b. BAMS will keep records of the flow of funds in the CLIENT Account, and will facilitate the settlement of funds related to CLIENT's Program as agent for the benefit of CLIENT.
 - c. All ACH entries shall be subject to any limitations or requirements imposed by the ODFI and the CLIENT Bank.
 - d. BAMS shall have no liability for not effecting an ACH entry if (i) there are insufficient funds in the CLIENT Account or applicable Franchisee Account; (ii) BAMS reasonably suspects a breach of security; (iii) BAMS reasonably believes that an ACH entry is prohibited by applicable law; or (iv) circumstances beyond its control prevent it from effecting the entry. The foregoing is not an exclusive list of circumstances in which BAMS shall have no liability.

5. **Definition of Parties.** For all settlement transactions hereunder, for purposes of ACH transfers, BAMS shall be a **third party service provider**, the CLIENT shall be the **originator**, the Participating Franchisee whose account is debited or credited shall be the **receiver** and the ODFI shall be the **originating depository financial institution**, as those terms are defined by the rules and regulations of the National Automated Clearing House Association.

Schedule 2

ACH Credit and Debit Authorization

By providing the information requested below and signing this ACH Credit and Debit Authorization, the undersigned Participating Franchisee hereby agrees that all statements made in this form are true and correct.

Store #(s): _____

Address: _____

Phone #: _____

Bank Name: _____

Account No.: _____

Account Title: _____

ABA Routing No.: _____

Bank ID: _____

Signature of Authorized Representative: _____

Printed Name: _____ Title: _____

Date: _____

BUSINESS INTELLIGENCE REPORTING ADDENDUM
ADDENDUM 3 TO PREMIUM GIFT CARD PROCESSING ADDENDUM

1. **Business Intelligence Reporting Services.** The Business Intelligence Reporting Services (the "BI Reporting Services") provide an ad hoc reporting tool that will allow CLIENT to create its own customized, enhanced reporting for life-to-date information (including, without limitation, detail metric performance by campaign and location, activations, redemptions and outstanding balances by promotion or location, custom aging, and breakage reporting with flexibility by date and state) for its Card Programs. Business Intelligence includes data that can be used to derive valuable information for business forecasting, target marketing and promotional activities. Specifically, the following report types can be selected, configured and run by CLIENT through the BI Reporting Services:

- **Aging Summary** – allows CLIENT to track the process of Cards maturing from program inception to the reporting time period (live-to-date); displays aging of cards for the reporting calendar using either CLIENT's fiscal calendar or the standard calendar year).
- **Breakage Summary** – Identifies Cards that have been sold but never redeemed.
- **Redemption Speed** – identifies the speed at which a Card is redeemed by tracking the date lag from sale to redemption (e.g., 30 days, 60 days, etc.).
- **Card Detail Queries** – allows queries that contain Card level detail such as Card account number, etc.
- **Card Inventory Balances** – identifies the number of Cards left in inventory for a particular promotion.
- **Location Detail Queries** – allows queries that contain details for the store location where a Card transaction occurred.
- **Activation Summary** – identifies the total amount loaded on a Card when first purchased.
- **Redemption Summary** – provides a summary of each time a consumer purchases services or merchandise using the Card.
- **Outstanding Liability** – the aggregate sum of all the activations, reloads and positive adjustments minus all redemptions, deactivations, service fee charges and negative adjustments as of the date of the report.
- **Sales Uplift** – the amount a purchase exceeds the remaining balance of the Card used during that purchase.
- **Same Store Growth** – allows CLIENT to track various Card measures such as activations, redemptions, etc., within the same store to track transaction growth.
- **Year-Over-Year Comparisons** – provides a method of evaluating two or more measured events against each other by comparing the result of measurement at one time period with those from another time period (or series of time periods), on an annualized basis.

2. **Fees.** The fees for BI Reporting Services as outlined below are incremental to the Fees set forth in the Agreement.

Description	Fee	Driver
One-Time Set-Up Fee	\$2400	Initial set-up of BI Reporting Services
Monthly Fee	\$385	Fee per month

3. **Addendum Termination.** This Addendum may be terminated at any time by either party upon thirty (30) days' written notice to the other party, and this Addendum shall terminate automatically upon termination of the Agreement.

4. **Conflict with Agreement.** This Addendum shall supplement the provisions of the Agreement set forth herein and all of the terms, conditions and provisions of the Agreement shall not be modified or amended hereby and shall continue in full force and effect. In the event of any conflict between this Addendum and the Agreement, the terms of this Addendum shall govern.

ATTACHMENT A

LIST OF STATE ADMINISTRATORS

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

<p>CALIFORNIA Commissioner Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677</p>	<p>NEW YORK Office of the New York State Attorney General Investor Protection Bureau Franchise Section 28 Liberty Street, 15th Floor New York, NY 10271-0332 (212) 416-8285 Phone (212) 416-8816 Fax</p>
<p>HAWAII Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722</p>	<p>NORTH DAKOTA North Dakota Securities Department 600 East Boulevard Avenue, State Capitol 14th Floor Bismarck, North Dakota 58505-0510 (701) 328-4712</p>
<p>ILLINOIS Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p>	<p>RHODE ISLAND Department of Business Regulation Securities Division Bldg. 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527</p>
<p>INDIANA Secretary of State Franchise Section 302 West Washington Street Indianapolis, Indiana 46204 (317) 232-6681</p>	<p>SOUTH DAKOTA Division of Insurance Securities Regulation 124 S. Euclid, 2nd Floor Pierre, South Dakota 57501 (605) 773-3563</p>
<p>MARYLAND Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360</p>	<p>VIRGINIA State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051</p>
<p>MICHIGAN Michigan Attorney General’s Office Consumer Protection Div., Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 373-7117</p>	<p>WASHINGTON Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, S.W. Tumwater, Washington 98501 (360) 902-8760</p>
<p>MINNESOTA Commissioner of Commerce Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1500</p>	<p>WISCONSIN Office of the Commissioner of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705 (608) 261-9555</p>

ATTACHMENT B

AGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

CALIFORNIA Commissioner Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677	NEW YORK Attention: New York Secretary of State New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 (518) 473-2492
HAWAII Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	NORTH DAKOTA North Dakota Securities Commissioner 600 East Boulevard Avenue, State Capitol 14th Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	RHODE ISLAND Director of Department of Business Regulation Department of Business Regulation Securities Division Bldg. 68-2 John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9500
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	SOUTH DAKOTA Division of Insurance Securities Regulation 124 S. Euclid, 2 nd Floor Pierre, South Dakota 57501 (605) 773-4823
MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	VIRGINIA Clerk of the State Corporation Commission 1300 East Main Street, 9 th Floor Richmond, Virginia 23219 (804) 371-9733
MICHIGAN Michigan Department of Labor and Economic Growth Corporations Division, Bureau of Commercial Service P.O. Box 30054 Lansing, Michigan 48909 (517) 373-7117	WASHINGTON Director of Department of Financial Institutions Securities Division – 3 rd Floor 150 Israel Road, S.W. Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Commissioner of Commerce 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1500	WISCONSIN Department of Financial Institutions Office of the Secretary P.O. Box 8861 Madison, WI 53708-8861 (608) 261-9555

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

<u>State</u>	<u>Effective Date</u>
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	Pending
Wisconsin	

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

ATTACHMENT C

RECEIPT

This Disclosure Document summarizes certain provisions of the development and franchise agreements and other information in plain language. Read this Disclosure Document and all agreements carefully.

If TGI Fridays Franchisor, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Attachment A.

The franchisor is TGI Fridays Franchisor, LLC, located at 19111 North Dallas Parkway, Suite 165, Dallas, Texas 75287. Its telephone number is (972) 662-5400.

Issuance date: June 20, 2024.

Chris Devlin, Christina Davenport and _____ are our in-house franchise sales representatives with contact information as follows: TGI Fridays Franchisor, LLC, 19111 North Dallas Parkway, Suite 165, Dallas, Texas 75287.

We authorize the agents listed in Attachment B to receive service of process for us.

I received a Disclosure Document dated June 20, 2024 that included the following Exhibits and Attachments:

- | | | | |
|-------------|--------------------------------|--------------|--|
| EXHIBIT A | Letter of Understanding | EXHIBIT K | List of Training Materials Provided on Fridays University |
| EXHIBIT B | Development Agreement | EXHIBIT L | Additional Disclosures and Amendments Required By Certain States |
| EXHIBIT C | Franchise Agreement | EXHIBIT M | Center of Excellence Criteria |
| EXHIBIT D | Purchasing Agreement | EXHIBIT N | Gift Card Participation Agreement |
| EXHIBIT D-1 | Proforma Purchase Order | Attachment A | List of State Administrators |
| EXHIBIT E | List of Franchised Restaurants | Attachment B | Agents for Service of Process |
| EXHIBIT F | List of Former Franchisees | Attachment C | Receipt (Retention Copy and Return Copy) |
| EXHIBIT G | Confidentiality Agreement | | |
| EXHIBIT H | Summary of Acknowledgments | | |
| EXHIBIT I | General Release | | |
| EXHIBIT J | Financial Statements | | |

Name: _____

Printed Name: _____

Date: _____

a _____ Corporation/Partnership

Name: _____

Printed Name: _____

Date: _____

a _____ Corporation/Partnership



(Return to Fridays)

Please return this copy to TGI Fridays Franchisor, LLC, Franchise Legal Department, 19111 North Dallas Parkway, Suite 165, Dallas, Texas 75287.

This Disclosure Document is also available on a CD-ROM disk.

RECEIPT

This Disclosure Document summarizes certain provisions of the development and franchise agreements and other information in plain language. Read this Disclosure Document and all agreements carefully.

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| EXHIBIT H | Summary of Acknowledgments | | |
| EXHIBIT I | General Release | | |
| EXHIBIT J | Financial Statements | | |

Name: _____

Printed Name: _____

Date: _____

a _____ Corporation/Partnership

Name: _____

Printed Name: _____

Date: _____

a _____ Corporation/Partnership



(Retained by Franchisee)

This Disclosure Document is also available on a CD-ROM disk.